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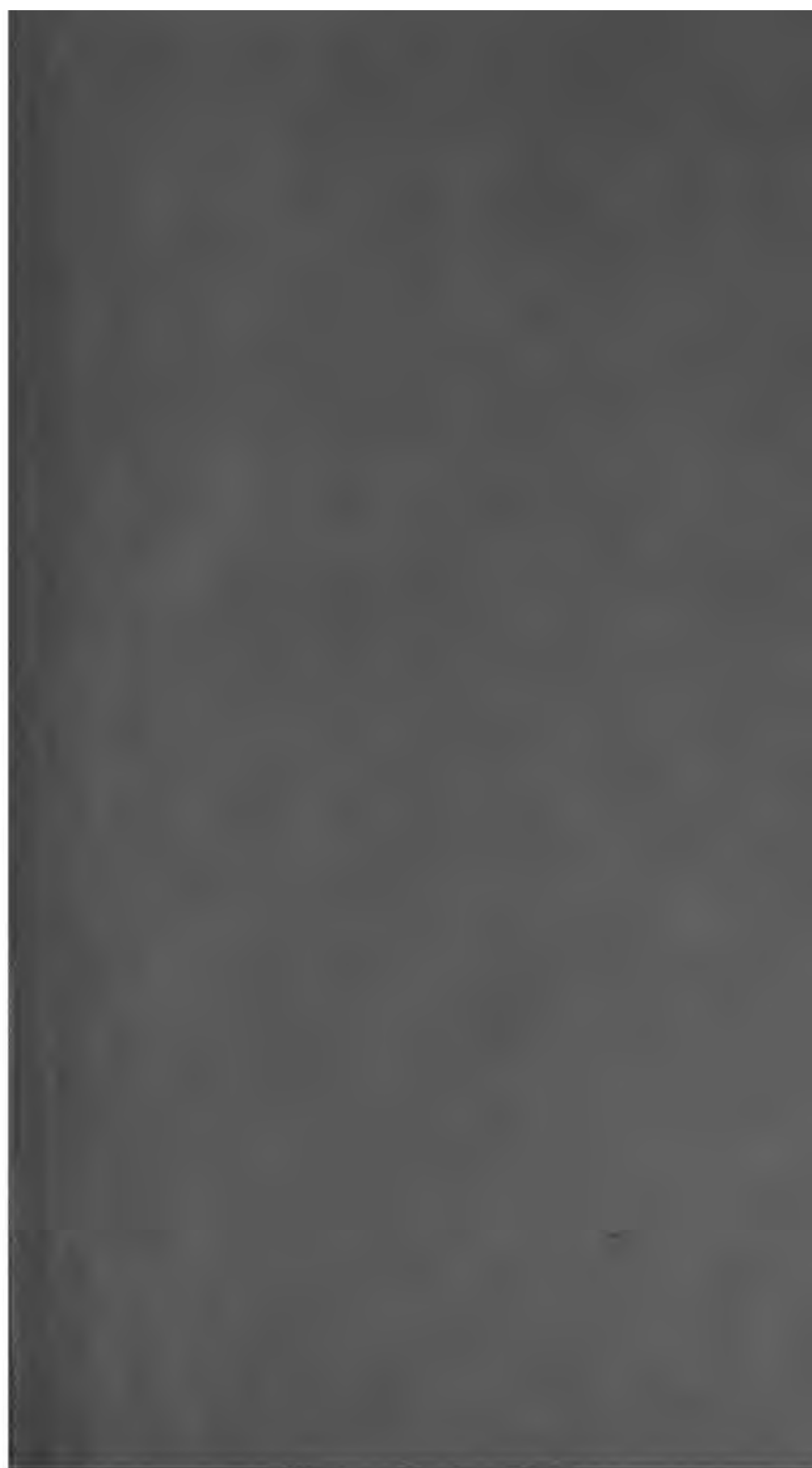
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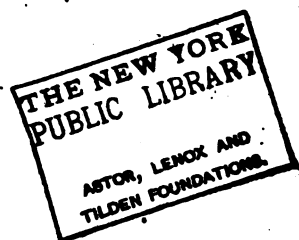
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ADDRESSES
AS
PRESIDENT
OF THE
National Board of Fire Underwriters
OF THE
UNITED STATES,

ON SEVERAL OCCASIONS,

BY

HENRY A. OAKLEY.

1871—1876.

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REMARKS OF THE PRESIDENT

OF THE

National Board of Fire Underwriters,

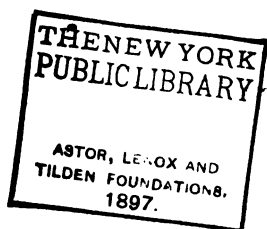
AT ITS

FIFTH ANNUAL MEETING,

HÉLD IN THE CITY OF NEW YORK,

April 19th, 1871.

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National Board of Fire Underwriters.

FIFTH ANNUAL MEETING,

HELD IN THE CITY OF NEW YORK, APRIL 19, 1871.

REMARKS OF THE PRESIDENT.

Gentlemen of the National Board of Fire Underwriters :

The recurrence of another annual meeting of the National Board of Fire Underwriters, and the fact that owing to the suspension of the active operations of the Board during the past year, no reports were to be expected from the various standing committees, have led me to think that it might not be inappropriate to present to you some remarks on the results not only of the past year, but also of the years that have elapsed since the necessities of the business led to the formation of the Board.

I am glad to be able to state that our records show, that there are still a number of places in which the rates established under the direction of the National Board have been faithfully maintained, notwithstanding the demoralization prevailing elsewhere ; proving, conclusively, that with honest members, constituting local boards, it is possible to secure co-operation among agents, and to maintain fair—not high—rates for the risks assumed by the Companies.

In order to better illustrate and understand the

benefit conferred upon the business of Fire Insurance in this country, by the formation of the National Board, a short retrospect of the condition of the business prior to 1866 is necessary, and although to most of you it may prove a "twice-told tale," yet it may give us a little insight into the causes which have culminated in the present condition of things. During the period embraced between the latter part of 1858, and the beginning of 1865 there had been but little unity among companies either in the large cities, or in the smaller centres, upon the matter of either rates, uniformity of practice in insurance, or carefulness in the adjustment of claims, and each company had been left to its own guidance and experience to adjust the business of their respective companies. A few of the companies had been successful, but the great majority, even prior to 1865, were beginning, by unsatisfactory dividends and diminished surpluses, to realize the ultimate results of unwholesome competition, and unsound principles in conducting the business. The gathering of a respectable body of representatives of companies doing business through agents, in the City of New York, on the 1st November, 1865, to consider the question of excessive taxation by the States, and to seek for a remedy through united efforts, first led to the belief that a more extended organization was possible. To this end, a few of those interested in the convention of 1865 diligently labored; and when the heavy losses of 1865, unexampled almost in the history of Fire Underwriting in this country in extent, were supplemented by those of the early part of 1866, it was felt that the time had arrived for inviting the co-operation of Underwriters throughout the country in an effort to rescue the business from the ruin which seemed inevitable. Accordingly on the 30th April, 1866, the New York Board which, after many years of fruitless effort, had at last succeeded in establishing a tariff of rates for its own locality, and with a view of securing its permanence, appointed a committee of their own members, consist-

ing of Messrs. Edgar W. Crowell; D. A. Heald, and George T. Hope, "to confer with Insurance Companies, doing business outside of New York and vicinity through agents, or otherwise, in regard to matters pertaining to their general interests and mutual benefit as Fire Underwriters."

On the 9th June, 1866, this Committee issued a circular to the Fire Insurance Companies of the United States, asking for this co-operation, and soon received so much encouragement in the replies to it, that they decided forthwith to call a convention. While the circular of the Committee was in preparation for this call, the dire calamity at Portland, on the 4th July, 1866, occurred, involving the Companies of the country in a loss of several millions, ruining some, and sadly crippling others, and thoroughly alarming all upon whom the conduct of the business devolved; so that when, on the 7th July, the Committee issued its call for a convention, to assemble in New York, on the 18th July, the response was hearty, and 76 Companies engaged in the agency business were present at the initiatory meeting; but conspicuously absent from it were the representatives of some of the largest agency companies in Hartford, Philadelphia, and the West. With the result of this meeting, and the organization of this Board, you are familiar, and it is unnecessary for me to rehearse them to you.

We must all bear testimony to the zeal, wisdom and perseverance with which those charged with guiding the newly launched ship, sought to and did successfully guide it through the waters of distrust on the one side, and half-heartedness and opposition on the other, until in February, 1867, at the first annual meeting, they were able to report the accession to its membership of all the leading Companies of the country, including those of Hartford and Philadelphia, who had held aloof before, and the Board entered upon a career of usefulness, which the replenished treasuries of many of the companies, soon gave practical demonstration of.

I do not propose to claim that the Board in all its plans acted with wisdom, but I do assert that whatever its short comings or mistakes were, the benefit to the whole business was very far in excess of what even its most sanguine promoters had ever thought of. It raised the profession at once to a position of dignity. It began to systematize the business upon a sound and discriminating basis, founded upon actual experience. It took wise and far-reaching action against unjust and extortionate local and national taxation. It eliminated from many of the policies in use the crudities existing, and gave to the business a "Form of Policy" at once just to both insured and insurer; it classified the various complicated special hazards, and enabled companies to comprehend with intelligence the dangers existing in these classes of hazards; it took wise and comprehensive action in regard to suppressing incendiarism and arson; surveyed and rated all of the principal cities, towns and villages in the Northern, Eastern, Middle and Western States of the Union, and last, though not least, brought about among the Underwriters of the country a better acquaintance with each other, and removed not a little of the distrust natural to rivals in a common business, and accomplished all of this during the period of its active operations, about three and a half years, at the very moderate outlay of less than \$48,000, a result almost unprecedented when we consider the vast amount of clerical and other labor performed. I will not stop to discuss here whether a more liberal and enlarged expenditure might not have promoted more fully the usefulness of the Board, and prevented many of the causes which led to disaffection, and finally to positive hostility. That is probably one of the mistakes of the past, but I cannot resist the remark that had the members and those not members of the Board considered more fully the immense benefit accruing to the business from the whole action of the Board and its extension of sound principles in underwriting, and not been led away by personal prejudices and local

grievances, we should not now have to regret that this short-sightedness had deprived us of a means of protection which it will be difficult to restore.

The benefit to the large body of companies who report to the New York Insurance Department, is shown by an increase in the receipts of these companies, from \$25,419,000 in 1865, to \$39,353,000 in 1869. Of which the companies of New York State benefited to the extent of \$3,400,000, and those of other States to the extent of \$10,400,000.

The expenses referred to were borne by the companies of New York State to the amount of \$26,664, and by all the other companies of the country to the amount of \$22,211. A detailed account of the contributions of the several localities and companies has been prepared, and is annexed hereto, to which you are referred.

The very satisfactory tables introduced by Mr. Heald into his report, made to the Board in 1869, convey so much that is suggestive to the Underwriter, that I thought I could not confer a greater favor upon the members of the Board, than by reproducing these tables continued down by the addition of the results of the business of 1869 and 1870, upon the same basis originated by Mr. Heald, verifying and correcting them from the official reports now in our possession.

These tables are four in number, showing,

1st. Amount of Capital ; amount of Dividends ; Percentage of Dividends upon Capital.

2d. Fire Premiums received ; Fire Losses paid ; Percentage of Losses to Premium.

3d. Net cash Fire and Inland Premiums received ; Expenses, less Dividends, Losses, and Interest on Scrip ; Percentage of Expenses upon Premiums.

4th. Fire Risks written ; Fire Premiums received ; Fire Losses paid ; Percentage of Fire Losses to Premiums ; Percentage of Fire Losses to Fire Risks written ; Amount of Risks written to \$1.00 loss ; Average rate of Premium on Fire Risks.

TABLE I. *

1. INSURANCE COMPANIES OF THE STATE OF NEW YORK.

YEAR.	CAPITAL.	DIVIDENDS.	PERCENTAGE.
1859	20,007,000	2,851,722 74	14 25
1860	20,482,860	2,469,090 05	12 05
1861	20,282,860	2,111,788 76	10 41
1862	20,432,860	2,043,898 01	10 00
1863	23,632,860	2,024,742 51	8 56
1864	28,807,070	2,483,370 94	8 62
1865	31,557,010	2,621,284 80	8 30
1866	30,649,660	2,073,375 79	6 76
1867	28,861,232	2,272,237 96	7 87
1868	28,629,474	2,753,723 64	9 60
1869	28,611,232	3,157,359 09	11 03
1870	29,561,232	3,986,052 00	13 48
Aggregate.	311,515,350	30,848,645 79	9 90

2. INSURANCE COMPANIES OF OTHER STATES.

YEAR.	CAPITAL.	DIVIDENDS.	PERCENTAGE.
1859	12,351,315	1,743,628 00	14 11
1860	9,515,900	1,367,051 92	14 36
1861	9,101,400	1,138,961 00	12 51
1862	9,401,400	1,280,668 00	13 62
1863	9,613,900	1,542,589 00	16 04
1864	12,822,875	1,658,003 48	12 15
1865	12,725,740	1,995,322 81	15 67
1866	13,760,690	1,295,874 91	9 41
1867	16,750,000	1,502,089 00	8 96
1868	20,701,720	2,298,072 74	11 10
1869	22,507,370	3,095,420 30	13 75
1870	23,171,101	3,159,698 00	13 62
Aggregate.	172,423,411	22,077,379 16	12 80

3. AGGREGATE.

YEAR.	CAPITAL.	DIVIDENDS.	PERCENTAGE.
1859	32,358,315	4,595,350 74	14 19
1860	29,998,760	3,836,141 97	12 78
1861	29,384,260	3,250,749 76	10 06
1862	29,834,260	3,324,566 01	11 11
1863	33,246,760	3,567,331 51	10 72
1864	41,629,945	4,141,374 42	9 94
1865	44,282,750	4,616,607 11	10 42
1866	44,410,350	3,869,250 70	7 81
1867	45,611,232	3,774,326 96	8 27
1868	49,331,194	5,051,796 38	10 24
1869	51,118,602	6,252,779 39	12 23
1870	52,732,333	7,145,750 00	13 55
Aggregate.	483,938,761	52,926,024 95	10 93

* Basis figures for 1870 in this and subsequent tables taken from Spectator Chart.

TABLE II.

1. INSURANCE COMPANIES OF THE STATE OF NEW YORK.

YEAR.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	PERCENTAGE.
1859	6,299,688 16	2,681,986 08	42 57
1860	6,710,412 27	3,578,934 15	53 33
1861	6,161,507 88	3,274,115 21	53 14
1862	6,866,355 69	4,227,157 44	61 56
1863	8,987,315 81	3,349,945 22	37 27
1864	13,325,783 32	7,195,271 84	54 00
1865	17,052,086 97	12,046,793 77	70 65
1866	20,786,847 47	15,312,751 13	73 67
1867	21,012,050 18	12,229,492 80	58 20
1868	20,686,198 13	10,188,294 62	49 24
1869	20,537,288 44	9,683,747 78	47 15
1870	20,011,723 00	11,081,007 00	55 37
Aggregate.	168,437,257 32	94,849,497 04	56 31

2 INSURANCE COMPANIES OF OTHER STATES.

YEAR.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	PERCENTAGE.
1859	8,113,770 40	5,349,261 33	65 92
1860	5,156,136 18	3,414,696 75	66 23
1861	4,365,819 88	2,975,574 58	68 16
1862	4,442,063 30	2,829,574 13	63 70
1863	5,032,342 32	2,307,030 42	45 84
1864	6,815,369 36	4,161,353 13	61 06
1865	8,867,502 58	5,217,824 56	62 35
1866	11,494,557 29	8,600,994 74	74 83
1867	15,150,088 27	8,588,777 07	56 69
1868	16,709,542 12	9,095,684 49	54 43
1869	18,816,290 13	10,370,594 02	55 11
1870	17,536,826 00	10,918,051 00	62 25
Aggregate.	122,000,307 83	73,829,416 22	60 51

3. AGGREGATE.

YEAR.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	PERCENTAGE.
1859	14,413,458 56	8,031,247 41	55 72
1860	11,866,548 45	6,993,630 90	58 93
1861	10,527,327 76	6,249,689 79	59 36
1862	11,308,418 99	7,056,731 57	62 40
1863	14,019,658 13	5,656,975 64	40 35
1864	20,141,152 68	11,356,624 97	56 38
1865	25,419,589 55	17,264,618 33	67 91
1866	32,281,404 76	23,913,745 87	74 07
1867	36,162,188 45	20,818,269 87	57 56
1868	37,395,740 25	19,283,979 11	51 56
1869	39,353,578 57	20,054,341 80	50 95
1870	37,548,549 00	21,999,058 00	58 58
Aggregate.	290,437,565 15	168,678,913 26	58 07

TABLE III. *

1. INSURANCE COMPANIES OF THE STATE OF NEW YORK.

YEAR.	NET CASH PREMIUMS RECEIVED INCLUDING INLAND.	EXPEND'S, LESS DIVID'S, LOSSES AND AMOUNT PAID IN INTEREST ON SCRIP AND REDEMPTION.	PERCENTAGE.
1859	6,421,842 54	2,321,645 30	36 15
1860	7,261,595 52	2,401,741 20	33 07
1861	6,827,786 46	2,394,286 96	35 06
1862	7,742,190 88	2,450,074 66	31 60
1863	10,181,030 42	3,195,594 58	31 88
1864	15,618,603 82	4,955,750 45	31 72
1865	19,620,068 09	6,624,504 98	33 76
1866	25,122,152 86	7,945,067 30	31 62
1867	24,095,970 04	7,962,084 45	33 04
1868	22,852,317 62	7,965,124 72	34 85
1869	22,318,250 19	8,173,085 45	36 62
1870	21,459,872 00	8,052,547 00	37 52
Aggregate.	189,515,630 44	64,441,507 05	34 00

2. INSURANCE COMPANIES OF OTHER STATES.

1859	8,113,770 40	1,682,912 09	20 74
1860	6,489,166 97	1,339,582 66	20 64
1861	5,572,908 63	1,090,306 77	19 56
1862	5,662,406 74	1,119,831 32	19 77
1863	6,233,193 52	1,305,255 92	20 94
1864	8,224,918 07	1,906,039 80	23 17
1865	9,899,024 19	2,778,629 30	27 96
1866	13,745,339 41	3,846,302 36	27 98
1867	18,140,089 34	5,162,207 69	28 45
1868	20,171,630 19	5,909,686 27	29 29
1869	22,710,895 32	6,751,280 71	29 72
1870	22,009,583 00	6,882,622 00	31 27
Aggregate.	146,972,925 78	39,774,656 89	27 06

3. AGGREGATE.

1859	14,535,112 94	4,004,557 39	27 55
1860	13,750,762 49	3,741,323 86	27 20
1861	12,400,645 09	3,484,593 73	28 10
1862	13,404,597 62	3,569,905 98	26 63
1863	16,414,223 94	4,500,850 50	27 42
1864	23,843,521 89	6,861,790 25	28 77
1865	29,519,092 28	9,403,134 28	31 85
1866	38,867,492 27	11,791,369 66	30 33
1867	42,236,059 38	13,124,292 14	31 07
1868	43,023,947 81	13,874,810 99	32 24
1869	45,024,145 51	14,924,366 16	33 14
1870	43,468,955 00	14,935,169 00	34 35
Aggregate.	336,488,556 22	104,216,163 94	30 97

* This Table embraces \$46,050,991.07 Premiums received on Inland Risks. The Losses for the same period were \$36,660,510.50, or 79 68-100 per cent. of the Premiums.

TABLE IV. *

1. INSURANCE COMPANIES OF STATE OF NEW YORK.

YEAR	FIRE RISKS WRITTEN.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	Percentage of Fire Losses to Pm's.	Percentage of Fire Losses to F. Risks with Am't of Fire Risks wr't'n to \$ on Loss.	Average Rate of Prem's on Fire Risks.
1860	1,049,551,594	6,710,412 27	3,578,934 15	53.33	.3410	293.26
1861	1,027,112,596	6,161,507 88	3,274,115 21	53.14	.2188	313.71
1862	1,200,721,180	6,866,355 69	4,227,157 44	61.56	.3521	284.05
1863	1,560,687,139	8,987,315 81	3,349,945 22	37.27	.2146	465.88
1864	2,342,666,111	13,325,783 32	7,195,271 84	54.00	.3071	325.59
1865	2,510,595,187	17,052,086 97	12,046,793 77	70.65	.4799	208.40
1866	2,753,493,107	20,786,847 47	15,812,751 13	73.67	.5561	179.82
1867	2,503,847,496	21,012,050 18	12,229,492 80	58.20	.4884	204.73
1868	2,643,720,096	20,686,198 13	10,188,294 62	49.24	.3853	259.48
1869	2,714,198,776	20,537,288 44	9,683,747 78	47.15	.3567	280.28
1870	2,796,507,331	20,011,723 00	11,081,007 00	55.37	.3962	252.36
Aggregate.	23,103,100,563	162,137,569 16	92,167,510 96	56.84	.3988	250.66

2. INSURANCE COMPANIES OF OTHER STATES.

1860	567,887,673	5,156,136 18	3,414,696 75	66.23	.6013	166.31
1861	502,906,639	4,365,819 88	2,975,574 58	68.16	.5917	169.01
1862	529,267,441	4,442,063 30	2,829,574 13	63.70	.5346	187.04
1863	589,515,659	5,032,342 32	2,307,030 42	45.84	.3913	255.53
1864	823,866,793	6,815,369 36	4,161,353 13	61.06	.5051	197.98
1865	917,510,037	8,367,502 58	5,217,824 56	62.36	.5687	175.84
1866	1,176,555,214	11,494,557 29	8,600,994 74	74.83	.7310	136.79
1867	1,308,447,411	15,150,088 27	8,588,777 07	56.69	.6564	152.34
1868	1,525,775,378	16,709,542 12	9,095,684 49	54.43	.5961	167.74
1869	1,740,609,887	18,816,290 13	10,370,594 02	55.11	.5958	167.84
1870	1,603,168,569	17,536,826 00	10,918,051 00	62.25	.6810	146.83
Aggregate.	11,285,508,701	113,886,537 43	68,480,154 89	60.44	.6013	164.79

3. AGGREGATE.

1860	1,617,439,267	11,866,548 45	6,993,630 90	58.93	.4323	231.27
1861	1,530,019,235	10,527,327 76	6,249,689 79	59.36	.4084	244.81
1862	1,729,988,571	11,308,418 99	7,056,731 57	62.40	.4079	245.15
1863	2,150,200,798	14,019,658 13	5,656,975 64	40.35	.2630	380.09
1864	3,166,532,904	20,141,152 68	11,356,624 97	56.38	.3586	278.82
1865	3,428,105,224	25,419,589 55	17,264,618 33	67.91	.5036	198.56
1866	3,930,048,321	32,281,404 76	23,913,745 87	74.07	.6084	164.34
1867	3,812,294,907	36,162,138 45	20,818,269 87	57.56	.5460	183.12
1868	4,169,495,474	37,395,740 25	19,283,979 11	51.56	.4625	216.21
1869	4,454,808,663	39,353,578 57	20,054,341 80	50.95	.4501	222.13
1870	4,399,675,900	37,548,549 00	21,999,058 00	58.58	.5000	199.99
Aggregate.	34,388,609,264	276,024,106 59	160,647,665 85	58.20	.4671	214.06

* This Table is for 11 years only.

A comparison of these tables, with those presented by Mr. Heald, show a remarkable continuation of the averages then presented, proving, beyond a peradventure, that they may be safely taken as a guide in future calculations.

Table 1 shows an increase in the aggregate of dividends from $10\frac{2}{3}\%$ in 1868 to $13\frac{1}{3}\%$ in 1870, the latter the result of the remarkable exemption from losses experienced by all the Companies in 1869, while the grand aggregate of dividends to capital is increased from $10\frac{2}{3}\%$ in 1868, as the result of the average of 9 years, to $10\frac{2}{3}\%$ in 1870, as the average for 11 years.

Table 2 shows the average percentage of losses to premiums to have increased for the New York Companies from $47\frac{1}{3}\%$ in 1869 to $55\frac{2}{3}\%$ in 1870; of Companies from other States from $55\frac{1}{3}\%$ in 1869 to $62\frac{2}{3}\%$ in 1870; the aggregate of all showing an increase from $50\frac{2}{3}\%$ in 1869 to $58\frac{1}{3}\%$ in 1870, while the grand aggregate of losses for the 11 years is $58\frac{2}{3}\%$ against $59\frac{2}{3}\%$, as presented by Mr. Heald's tables.

In this same connection I would call attention to the fact that from the official returns made to Parliament by all of the Companies doing business in Canada, it appears that there were received for premiums in 1869, \$1,747,562,58; paid for losses in 1869, \$967,938,73 or $52\frac{2}{3}\%$ per cent. and in 1870 premiums, \$1,958,537,82; and losses, \$1,840,272,73, or $89\frac{2}{3}\%$ per cent., a difference of $36\frac{2}{3}\%$ per cent. between the two years.

The year 1869 shows a lower average of losses to premiums than any year except 1863; while 1870 is only exceeded in its average by 1865 and 1866, years notorious for great and disastrous losses. Should the remainder of 1871 be as productive of losses as the first four months have been, the average of the present year will fully equal the two disastrous years referred to.

Table 3 shows that there has been an increase of percentage of expenses from $32\frac{2}{3}\%$ per cent. in 1868 to $33\frac{1}{3}\%$ in 1869, and $34\frac{2}{3}\%$ in 1870, making the grand aver-

age aggregate 30¹/₂, thus exhibiting a steady increase in the percentage for every year since 1862.

Adding the percentage of expenses to the percentage of losses including inland losses, we have 91¹/₂, leaving 8¹/₂ or \$26,932,968 as the profits resulting from the business for the 12 years from 1859 to 1870, or an average of 5¹/₂ per cent. per annum on the average aggregate capital of \$40,328,230 for the same period. As the amount paid out for dividends during the same period was \$52,926,024.95, it shows that a very large proportion of the interest on investments was necessary, in order to meet these dividends, leaving but a moderate amount as additions to surplus during this long period.

Table No. 4. With reference to this table I find that the ability of the Companies to write, which in 1860 was \$231.27 for every dollar of loss, and which, in 1866, fell to \$164.34, was increased in 1869 to \$222.13, has in 1870 again fallen to \$199.99, very far below the average of the 11 years, which is \$214.06. The other columns therein show equally surprising results.

In addition to these tables, I have prepared a second series of tables, which comprise the following items:

1st. The amount written for the four years ending 1865.

2nd. The amount of premiums received during the same period.

3rd. The amount written for the four years ending 1869.

4th. The amount of premiums thereon.

5th. The amount of risks written during the year 1870.

6th. The amount of premiums thereon.

7th. Average rate of premium for the four years ending 1865.

8th. Average rate of premium for the four years ending 1869.

9th. Average rate of premiums for 1870.

10th. Premiums on business of 1870, at aggregate average rate of four years, ending 1865.

11th. Premiums on business of 1870, at aggregate average of four years, ending 1869.

And in order that a proper comparison may be made of Companies doing relatively the same kind of business, I have divided the Companies into the five following classes :

1. New York City Companies, embracing those doing an Agency business.
2. New York City Companies doing mainly a local business, and without agents.
3. New York State Companies.
4. Companies of other States, including California.
5. Foreign Companies, doing business in the United States.

The period embraced in these tables constitutes the four years prior to the formation of the National Board, the four years of the active operations of the National Board, and the past year in which it had ceased to exercise any great control over the business of the country. The tables are very full ; have been compiled with great care and accuracy, and will well repay the careful study and examination which their importance demands. I will not here comment upon them, but will merely state that they show an aggregate average percentage of premiums received on each \$100 of risk, during the years

1862-5,	1866-9,	1870.
of 66 $\frac{4}{5}$ %	88 $\frac{1}{2}$ %	84 $\frac{3}{4}$ %

It is easy to see from these tables how much of the genuine prosperity of the business which it took nearly four years to build up has been dissipated in a single year.

TABLE V.
NEW YORK CITY COMPANIES (AGENCY.)

COMPANY.	AVERAGE RISKS 4 YEARS ENDING 1863.	AV'GE PREM. 4 YEARS ENDING 1865.	AVERAGE RISKS 4 YEARS ENDING 1869.	AV'GE PREM. 4 YEARS ENDING 1869.	RISKS WRITTEN 1870.	PREMIUM 1870.	AVERAGE RATE 1862 TO 1865.	AVERAGE RATE 1866 TO 1869.	AVERAGE RATE 1870.	Premium on Premium on bus. of 1870, at Agg. rate, 4 yrs. end- ing 1865.	Premium on bus. of 1870, at Agg. rate, 4 yrs. end- ing 1869.
Etna.....	12,237,093	62,648	18,713,081	132,197	19,529,645	164,087	5119	7064	8401	99,972	137,957
Am. Exchange...	9,852,526	50,833	13,330,039	62,327	13,803,132	53,594	5159	4675	3882	71,210	64,329
Astor.....	10,984,386	62,058	24,476,958	219,371	21,294,286	162,108	5645	8902	7634	119,807	190,301
Atlantic.....	26,066,668	141,186	40,533,325	275,356	42,384,716	307,501	5416	6793	7254	229,555	287,919
Citizens'.....	27,183,361	157,864	38,346,435	261,824	41,265,669	230,305	5807	6828	5581	239,629	281,761
Commercial.....	12,351,699	68,877	13,518,771	96,390	13,401,909	75,381	5576	7130	5624	74,729	95,555
Commonwealth..	11,508,002	73,439	19,834,845	227,305	18,556,754	192,517	6381	11459	10374	118,410	212,641
Continental.....	71,695,650	386,170	110,613,153	682,608	151,055,221	879,445	5372	6171	5822	811,468	932,161
Corn Exchange..	32,337,741	206,467	30,548,441	223,055	23,419,355	136,566	6385	7301	5831	149,532	170,984
Excelsior.....	10,274,087	58,567	26,215,055	224,096	21,924,847	171,489	5749	8548	7821	126,043	187,409
Firemens'.....	13,098,052	76,359	21,493,377	170,538	23,600,967	176,251	5829	7933	7463	137,570	187,226
Fulton.....	22,029,968	141,512	28,217,031	209,164	35,954,293	222,291	6423	7412	6182	230,944	266,493
Germania.....	26,009,402	156,845	61,502,321	496,933	70,211,582	557,007	6030	8080	7933	423,375	567,309
Hanover.....	22,649,875	107,984	43,008,008	343,171	57,114,197	447,404	4767	7750	7833	272,203	442,635
Home.....	158,495,472	1,292,184	194,931,380	2,020,999	250,472,410	2,092,585	8152	1,0367	8354	2,041,851	2,596,647
Howard.....	18,211,356	103,374	25,339,231	162,735	25,746,809	147,621	5676	6422	5733	146,138	165,846
International.....	60,837,700	435,474	78,246,430	752,061	66,145,161	633,047	5381	9611	9570	885,692	685,721
Irving.....	12,630,169	87,201	14,282,461	131,874	13,599,253	108,688	6904	9233	7992	93,889	125,561
Lamar.....	23,192,643	113,609	23,192,934	166,068	20,831,380	137,781	4898	7182	6614	102,032	149,610

TABLE 5—CONTINUED.

COMPANY.	AVERAGE RISKS 4 YEARS, ENDING 1865.	AV'GE PREM. 4 YEARS, ENDING 1865.	AVERAGE RISKS 4 YEARS, ENDING 1869.	AV'GE PREM. 4 YEARS, ENDING 1869.	RISKS WRITTEN 1870.	PREMIUM 1870.	AVERAGE RATE 1862 TO 1869.	AVERAGE RATE 1866 TO 1869.	AVERAGE RATE 1870.	Premium on	
										bus. of 1870, at Age-rate Av'ge Rate, 4 yrs. end- ing 1869.	bus. of 1870, at Age-rate Av'ge Rate, 4 yrs. end- ing 1869.
Long Island.....	9,600,809	45,718	13,902,006	67,270	17,097,867	61,728	4761	4838	3612	81,402	82,719
Lenox.....	9,768,936	66,609	9,485,902	80,234	7,472,810	44,558	6818	8458	5895	50,949	63,205
Lorillard.....	52,435,692	308,710	88,749,368	633,673	66,160,455	621,794	5888	7703	9398	389,552	509,633
Manhattan.....	54,667,092	472,797	74,440,231	757,140	69,592,953	715,110	8648	1,0176	1,0275	601,839	708,177
Market.....	39,361,380	179,139	47,664,191	317,684	53,541,486	346,263	4531	6665	6354	243,667	356,854
Mercantile.....	11,357,100	55,107	13,136,553	79,928	13,346,799	67,109	4832	6084	5027	64,758	80,204
Merchants.....	21,878,828	117,991	20,911,100	189,218	29,260,544	160,107	5392	6121	5471	157,772	179,193
Metropolitan.....	54,998,334	416,022	54,283,113	475,192	22,873,015	157,433	7564	8753	6882	173,011	200,207
New Amsterdam.....	14,831,563	86,243	16,115,126	123,996	14,517,887	88,786	5814	7697	6115	84,406	111,744
Niagara.....	32,882,568	168,973	72,495,529	601,614	65,832,047	530,299	5138	8298	8055	338,245	546,274
N. American.....	32,266,014	191,949	51,451,969	454,887	42,677,492	365,268	5948	8841	8558	253,845	377,311
Phenix.....	33,736,500	335,990	88,769,134	769,396	90,559,850	724,787	9959	8667	8003	901,885	984,812
Resolute.....	20,197,069	104,044	16,382,929	132,092	12,380,621	86,496	5150	8062	6988	63,760	79,812
Republic.....	21,862,408	128,379	30,627,292	275,601	33,078,735	296,769	5872	8916	8971	194,238	294,930
Security.....	67,393,908	386,101	123,122,393	1,113,069	155,129,260	1,285,747	5729	9040	8288	888,735	1,402,368
Standard.....	20,816,528	85,578	20,403,262	131,682	18,847,471	107,925	4160	6441	5726	78,405	121,398
Tradesmen S.....	13,283,556	72,950	28,152,704	204,853	27,891,882	174,629	5491	7276	6260	153,154	202,941
Washington.....	28,464,407	149,299	43,115,929	252,540	38,991,624	246,647	5245	5837	6299	204,511	228,373
Wmsburgh City.....	9,317,171	69,963	24,655,846	273,700	26,071,038	257,334	7509	1,1100	9870	195,767	289,388
Yonkers & N. Y.....	*18,811,905	102,636	43,996,336	335,957	45,768,957	456,052	5455	8999	9964	249,669	411,874
Aggregate Av'ge N. Y. City Ag cy Co.'s	1,149,567,018	7,245,139	1,718,154,189	14,297,818	1,781,343,879	13,683,009	6319	8286	7681	11,256,311	14,760,215

† One Year.

† Two Years.

* Three Years.

TABLE VI.
NEW YORK CITY COMPANIES (NON-AGENCY.)

COMPANY.	AVERAGE RISKS 4 YEARS, ENDING 1865.	A'VE PREM. 4 YEARS, ENDING 1865.	AVERAGE RISKS 4 YEARS, ENDING 1869.	A'VE PREM. 4 YEARS, ENDING 1869.	RISKS WRITTEN 1870.	PREMIUM 1870.	AVERAGE RATE 1862 TO 1865.	AVERAGE RATE 1866 TO 1869.	AVERAGE RATE 1871.	Premium on bus. of 1870, at Avg rate, 4 y'rs., end- ing 1865.	Premium on bus. of 1870, at Avg rate, 4 y'rs., end- ing 1869.
Adriatic.....	10,697,573	56,826	8,712,087	53,191	8,361,982	66,710,5312	.6105	.7977	44,418	50,649	
American.....	39,034,654	109,210	37,309,345	152,731	51,096,982	149,847,2797	.4093	.2932	143,020	209,139	
Arctic.....	28,583,483	225,682	10,126,837	160,146	6,696,567	34,376,7672	.8958	.5133	51,376	59,987	
Beekman.....	11,488,085	59,137	12,045,950	103,151	11,798,678	73,016,5147	.8563	.6188	60,727	101,032	
Broadway.....	9,448,514	37,069	13,262,858	58,341	15,174,997	54,684,3923	.4399	.3603	59,531	66,754	
Brooklyn.....	19,741,806	91,408	20,317,417	93,415	18,616,747	65,507,4632	.4597	.3518	86,232	85,581	
Columbia.....	22,468,652	159,699	19,512,412	148,717	20,248,773	116,250,7109	.7621	.5741	143,948	154,315	
City.....	12,721,235	50,881	14,211,076	71,197	12,741,604	54,133,3999	.5010	.4248	50,953	63,835	
Clinton.....	12,161,950	58,619	15,388,580	101,290	15,503,681	90,431,4821	.6582	.5832	74,743	102,045	
Commerce.....	9,727,017	34,398	11,588,119	50,455	9,698,950	41,253,3536	.4354	.4253	34,295	42,229	
Eagle.....	17,949,380	70,072	25,529,289	116,524	30,338,581	113,301,3939	.4564	.3734	119,036	138,465	
Empire City.....	15,289,278	71,613	13,058,874	81,705	10,848,298	55,080,4683	.6256	.5077	50,802	67,866	
Exchange.....	7,367,907	58,258	8,149,029	91,576	4,855,524	45,901,7970	.11237	.9395	38,699	54,562	
Firemen's Fund..	7,130,084	44,363	9,502,481	92,328	6,817,758	53,658,6222	.9716	.7870	42,420	66,241	
Firemen's Trust..	7,166,125	40,823	10,364,091	56,160	13,623,617	60,131,5696	.5418	.4413	77,601	73,812	
Gebhard.....	9,324,168	42,400	9,023,795	52,442	8,201,825	38,152,4547	.5811	.4651	37,293	47,666	
Globe.....	*11,761,845	*75,247	11,868,282	90,802	14,700,419	89,125,6397	.7610	.6062	94,038	112,458	
Greenwich.....	17,003,814	74,832	23,331,030	145,759	31,597,659	137,205,4400	.6247	.4943	139,029	197,390	
Grocers'.....	8,570,468	43,103	6,053,490	41,545	.....	.....	.5029	.6862	.....	.....
Guardian.....	*8,827,184	*38,533	8,964,482	63,823	8,520,000	72,914,4365	.7063	.8557	37,192	60,180	
Hamilton.....	4,833,081	38,830	10,019,013	76,000	10,575,355	62,913,7063	.7952	.5949	74,693	84,095	
Hoffman.....	*7,547,764	*49,038	6,129,423	59,941	4,796,480	38,106,6497	.9779	.7944	31,162	46,904	
Hope.....	17,912,814	125,452	15,693,803	143,069	9,158,577	71,076,7003	.9113	.7760	64,137	83,462	
Humboldt.....	10,730,586	52,960	12,605,281	90,958	13,373,127	83,310,4935	.7219	.6230	66,991	96,533	
Imp'rs & Trader's	9,494,786	46,447	10,465,997	71,426	10,517,425	56,771,4891	.6834	.5897	51,440	71,770	
Jefferson.....	13,790,986	63,713	15,105,082	87,376	18,322,349	81,305,4619	.5784	.4437	84,630	109,764	
King's County....	5,805,841	49,479	8,527,419	60,444	11,250,133	64,920,8522	.7000	.5770	95,873	78,750	

TABLE VI—CONTINUED.

COMPANY.	AVERAGE RISKS 4 YEARS, ENDING 1865.	AVERAGE RISKS 4 YEARS, ENDING 1869.	RISKS WRITTEN, 1870.	PREMIUM, 1870.	AVERAGE RATE, 1865 TO 1869.	AVERAGE RATE, 1870.	Premium on bus. of 1870, at Agg. rate, Av'ge. rate, 4 yrs., end- ing 1869.	Premium on bus. of 1870, at Agg. rate, Av'ge. rate, 4 yrs., end- ing 1869.
Knickerbocker.....	14,418,520	20,087,387	17,756,725	70,495	3711	3964	65,895	90,239
Lafayette.....	53,521	14,786,622	12,297,679	134,398	5886	5886	72,782	93,092
Mechanics.....	63,703	14,786,622	12,297,679	89,322	5675	5635	89,953	106,929
Merch. & Traders	55,740	15,850,860	25,359,545	163,308	4267	6439	108,209	170,923
Montauk.....	14,013,905	26,183,603	17,6043	68,826	5813	5795	69,037	69,060
Nassau.....	9,042,423	12,825,853	71,678	56,210	4460	5433	45,887	55,898
National.....	8,119,235	10,676,848	58,013	59,777	4248	5377	57,515	72,801
N. Y. Bowery.....	11,988,361	10,451,340	56,201	129,192	4184	5637	108,278	145,881
N. Y. Equitable..	18,698,429	28,464,081	160,466	75,077	4438	5218	76,250	89,651
New York.....	16,100,649	17,508,476	91,376	91,121	5357	5644	85,061	105,497
North River.....	13,593,028	15,718,103	104,444	49,358	5023	5457	49,466	53,741
Pacific.....	8,904,820	10,067,393	54,944	141,840	5936	6903	139,023	151,671
Park.....	21,932,127	19,101,985	131,876	67,963	5272	5901	77,897	78,325
People's.....	8,170,363	15,587,116	82,630	65,136	6667	8351	57,376	71,869
Peter Cooper.....	54,476	8,516,876	71,127	45,021	4062	4008	58,502	57,652
Relief.....	28,483	11,496,597	46,021	112,369	7021	7860	102,407	114,633
Rutgers.....	21,091,523	17,544,907	137,918	84,451	6716	7285	94,351	102,345
St. Nicholas.....	8,834,251	12,444,013	90,661	81,382	8050	8770	92,516	100,791
Star.....	8,776,238	10,571,414	92,720	111,813	7057	7614	103,632	132,195
Sterling.....	44,690,247	12,850,748	115,692	45,625	4239	6191	35,875	52,395
Stuyvesant.....	48,505,416	8,158,128	55,508	72,557	6518	6609	105,490	106,963
United States.....	7,631,257	15,332,818	101,335	46,012	4362	5031	47,909	55,257
Agg. N. Y. City Non- Agency Companies...	10,631,108	11,455,677	57,669	3,751,318	5263	6490	3,709,566	4,573,699
Agg. All City Co's....	612,403,986	690,272,961	4,480,399	17,434,927	5941	7771	14,770,441	19,320,125
	1,761,971,004	2,408,427,150	18,718,217	2,486,182	685	7012		

* Three years.

† Two years.

† One year.

TABLE VII.
NEW YORK STATE COMPANIES.

COMPANY.	AVERAGE RISKS 4 YEARS ENDING 1865.	AVERAGE RISKS 4 YEARS ENDING 1869.	AVERAGE PREM. 4 YEARS ENDING 1869.	RISKS WRITTEN 1870.	PREMIUM 1870.	AVERAGE RATE 1866 TO 1869.	AVERAGE RATE 1862 TO 1865.	AVERAGE RATE 1870.	Premium on bus. of 1870, at Aggre- ate Av ageRate 4 years end- ing 1865.	Premium on bus. of 1870, at Aggre- ate Av ageRate 4 years end- ing 1869.
Agricultural.....	10,691,350	27,003,575	172,006	39,196,560	242,996	6369	4292	.6199	168,231	249,642
Albany	6,254,084	7,591,949	58,490	8,116,099	53,023	.7704	.7524	.6533	61,065	62,526
Albany City	12,496,423	25,583,280	306,302	25,380,066	334,442	1,1972	9559	1,3177	242,608	303,850
Buffalo City .....	.....	14,306,544	*110,157	22,087,575	214,146	.7699	.....	.9695	.....	170,052
Buffalo Fire & Mar Buffalo German.....	.....	15,194,091	120,879	22,665,773	192,000	.7955	.....	.8470	.....	180,306
Capital City.....	2,468,618	4,133,425	*38,689	10,655,822	89,996	.9360	.....	.8446	.....	99,738
Commerce, Alb.....	9,764,413	6,714,413	46,892	6,362,666	40,909	.6979	.5530	.6429	13,650	44,405
Farmers' J't Stock	4,771,723	29,433,989	276,870	26,494,947	241,102	.9372	.6993	.9099	185,279	248,310
Glens Falls.....	7,540,166	9,499,057	52,803	12,270,028	75,248	.6352	.6558	.6132	77,932	68,196
Holland Purchase N. Y. Central.....	.....	19,879,417	193,994	32,759,273	275,226	.9098	.....	.8401	298,043	319,664
Schenectady	5,642,920	7,117,740	*32,928	10,808,660	57,181	.4626	.....	.5290	.....	50,000
Western .....	.....	9,654,656	75,347	14,479,453	113,639	.5144	.....	.7804	74,482	112,997
Watertown.....	.....	2,790,174	*36,659	3,465,633	36,551	.....	.....	1,0546	.....	45,531
.....	.....	42,558,124	271,069	48,871,189	356,871	.6045	.....	.7302	295,426	311,260
.....	.....	4,227,600	*28,971	7,655,000	56,647	.....	.....	.7406	.....	52,352
Aggregate N.Y. State Companies.....	64,685,336	225,688,034	1,821,026	291,268,744	2,379,977	.7001	.....	.8060	1,416,716	2,318,829
Aggregate N. Y. City & State Co.'s.....	1,826,656,640	2,634,115,184	20,539,243	2,777,451,429	19,814,304	.5979	.....	.7133	16,270,617	21,492,336

* Three Years.

† Two Years.

‡ One Year.

TABLE VIII.
INSURANCE COMPANIES OF OTHER STATES.

COMPANY.	AVERAGE RISKS 4 YEARS ENDING 1865.	AVERAGE RISKS 4 YEARS ENDING 1869.	AV'GE PREM. 4 YEARS ENDING 1869.	RISKS WRITTEN 1870.	PREMIUM 1870.	AVERAGE RATE 1862 TO 1865.	AVERAGE RATE 1866 TO 1869.	AVERAGE RATE 1870.	Premium on bus. of 1870, at Aggregate Average Rate 4 years end- ing 1865.	Premium on bus. of 1870, at Aggregate Average Rate 4 years end- ing 1869.
Ætna.....Hartford	165,908,446	285,695,456	3,234,985	304,380,160	3,205,489	.9532	1.1323	1.0826	2,901,351	3,446,496
CharterOak..."	12,884,737	*7,714,659	*97,015	11,803,054	129,314	.9483	1.2375	1.0955	111,928	148,423
City....."	17,698,007	31,873,733	364,947	34,104,849	346,600	.9733	1.1449	1.0161	331,942	390,466
Connecticut."	6,389,867	13,136,222	146,136	13,105,000	153,879	1.0021	1.1145	1.1742	131,325	146,055
Hartford....."	74,855,315	131,947,790	1,484,696	143,411,370	1,591,651	.9441	1.1252	1.1098	1,353,946	1,613,664
Merchants...."	16,094,733	31,630,306	314,216	33,016,669	312,085	.8247	.9934	.9452	272,288	327,987
N. American, "	16,766,496	29,361,239	316,799	30,944,425	326,584	.9068	1.0789	1.0553	280,604	333,859
Phoenix....."	49,203,614	94,796,663	1,195,163	101,445,422	1,277,514	1.0686	1.2606	1.2589	1,084,045	1,278,820
Putnam....."	49,968,739	43,497,176	550,294	50,283,986	670,410	.8312	1.2651	1.3342	417,711	635,763
Ag. Hartford Cos.	869,769,954	669,653,235	7,704,251	722,464,935	8,103,486	.9576	1.1505	1.1216	6,885,140	8,321,533
Norwich. Norwich	12,634,103	19,476,352	212,666	16,561,058	182,785	.8984	1.0919	1.1037	82,540	180,830
Home.... N. Haven	30,182,925	122,359,688	1,495,427	.....	.....	1.1428	1.2921	.....	.....	.....
American... Boston	4,751,735	6,442,828	34,277	4,638,503	28,676	.4608	.5320	.6155	21,466	24,783
Boston....."	.....	17,378,907	162,166	8,166,308	37,976	.....	.7069	.4655	.....	57,656
Elliot....."	10,912,818	13,351,330	114,524	11,341,536	96,085	.6253	.8577	.8472	70,918	97,276
Hide & L. "	.....	*8,081,047	*58,762	18,224,388	162,548	.....	.7271	.8919	.....	132,509
Howard.... "	.....	*5,514,866	162,827	6,161,814	60,691	.....	.9561	.9849	.....	58,913
Independ't. "	.....	*13,971,679	*116,684	29,941,692	269,406	.....	.8351	.8897	.....	230,043
Manufact's "	15,813,936	20,014,216	139,019	17,289,928	153,438	.4592	.6346	.8889	79,257	119,887
Merchants. "	16,328,923	16,470,015	87,416	14,163,332	85,577	.4025	.6307	.6046	56,967	75,111

TABLE VIII—CONTINUED.

COMPANY.	AVERAGE RISKS 4 YEARS ENDING 1865.	AV'GE PREM. 4 YEARS ENDING 1865.	AVERAGE RISKS 4 YEARS ENDING 1869.	AV'GE PREM. 4 YEARS ENDING 1869.	RISKS WRITTEN 1870.	PREMIUM 1870.	AVERAGE RATE 1862 to 1865.	AVERAGE RATE 1866 to 1869.	AVERAGE RATE 1870.	Premium on Bus. of 1870, Aggregate Average Rate 4 years end- ing 1869.	Premium on Bus. of 1870, Aggregate Average Rate 4 years end- ing 1869.
National... Boston	12,908,197	61,263	27,509,353	279,566	28,440,207	292,820	.4747	1.0162	1.0295	135,005	289,009
N. Amer. "	7,658,072	49,872	9,192,065	72,369	8,587,602	64,755	.6512	.7873	.7540	67,610	67,610
Prescott... "	.....	.....	18,036,901	171,506	6,313,290	61,581	.....	1.1845	.9754	55,822	74,780
Shoe and L	.....	.....	112,552,174	198,461	14,660,466	109,948	.....	.7844	.7499	.....	114,996
Aggregate Bos. Cos	68,368,681	339,633	146,515,381	11,177,577	167,809,066	1,423,500	4969	.8034	.8478	419,435	1,362,573
1st Nat. Worcester	.....	.....	14,747,319	175,120	7,974,180	113,544	.....	1.5824	1.4238	.....	126,183
People's "	10,873,184	1113,612	21,641,675	277,486	32,689,460	388,505	1.0448	1.2392	1.1884	341,539	419,111
Ag. Worcester Co's	10,873,184	113,612	26,388,994	352,606	40,663,640	502,049	1.0448	1.3861	1.2346	341,539	545,294
Sp'gfield F. & M. .	28,294,399	239,947	42,833,256	467,656	44,658,017	463,879	.8484	1.0900	1.0387	378,878	486,772
Amer., Providence	6,057,798	58,493	7,456,576	66,692	10,014,199	59,112	.9655	.8944	.5902	96,687	89,466
Atlantic, "	9,344,553	78,392	9,385,180	95,129	7,202,547	65,431	.8867	1.0136	.9084	60,263	73,005
Equitable, "	.....	.....	7,658,435	79,732	5,480,892	57,402	.....	1.0379	1.0473	.....	56,886
Hope, "	6,057,373	62,428	6,887,915	86,655	6,586,312	88,284	1.0306	1.2588	1.3396	67,878	82,908
Merchant's "	5,083,584	50,240	11,515,255	142,193	15,130,391	170,549	.9882	1.2348	1.1139	149,518	186,830
Narragansett "	112,237,977	1104,384	22,053,742	285,790	30,553,714	295,095	.8120	1.2958	.9658	248,096	395,915
Prov. Wash. "	14,985,908	131,305	14,368,726	156,051	14,277,956	126,346	.8761	1.0860	.8849	125,089	165,058
Roger Williams...	4,459,374	44,616	7,162,842	94,398	10,465,735	125,292	1.0005	1.3178	1.1962	104,709	137,917
Agg. Prov. Co's...	58,226,567	529,858	86,488,621	1,006,640	99,711,746	987,461	.9099	1.1639	.9903	852,240	1,177,985
American, Phila...	14,138,326	77,278	16,956,019	100,906	20,135,252	101,823	.5289	.8951	.5057	106,495	119,824
Franklin, " "	22,556,750	158,604	24,605,782	189,080	55,940,037	704,801	.7031	.7684	1.2599	393,314	429,843
Girard, " "	.....	.....	*15,112,474	*163,019	11,822,831	117,019	.....	1.0787	.9897	.....	127,532
Ins. Co. S. Pa. " "	12,492,004	69,347	13,366,950	80,507	9,869,730	56,830	.5551	.6229	.5766	54,953	61,416

TABLE VIII—CONTINUED.

COMPANY.	AVERAGE RISKS 4 YEARS ENDING 1865.	AVERAGE RISKS 4 YEARS ENDING 1869.	AVERAGE RISKS 4 YEARS ENDING 1870.	PREMIUM 1870.	AVERAGE RATE 1862 TO 1865.	AVERAGE RATE 1866 TO 1869.	AVERAGE RATE 1870.	Premium on bus. of 1870, at Aggre. rate 4 years end- ing 1865.	Premium on bus. of 1870, at Aggre. rate 4 years end- ing 1869.
Ins. Co. N. A., Phila.	37,725,895	88,298,891	97,315,295	1,056,024	.5394	.7131	1.0851	524,918	693,955
Lancaster, " "	†4,185,571	†57,540	138,143	.....	1.3747	1.3698	.....	139,704
Pennsylvania " "	*13,317,666	*86,313	85,841	.....	.6481	.6057	.....	91,639
Agg. Phila. Co's..	86,912,975	175,843,353	1,557,042	2,260,481	.5857	.8765	1.0302	1,079,680	1,663,913
Assoc'd F' ms, Balt.	†10,083,749	†60,363	67,596	.....	.6016	.7190	.....	56,557
Howard, " "	†11,236,912	†51,395	.....	.....	.4574	.....	.....	.....
Mer. & Mec., " "	†17,168,230	†38,896	99,838	.....	.5174	.5607	.....	93,789
Maryland, " "	*18,310,545	*137,755	.....	.....	.7523	.....	.....	.....
United States, " "	*16,497,497	*264,255	.....	.....	1.6017	.....	.....	.....
Agg. Balt. Co's....	73,246,933	602,604	167,434	.....	.8227	.6082	.....	150,346
F' ms F. d. San F' co	†15,277,371	†163,050	206,876	.....	1.0672	.9235	.....	239,132
Occidental, " "	†9,953,007	†106,083	199,847	.....	1.0658	.9478	.....	224,724
Pacific, " "	*50,321,477	*500,500	758,554	.....	.9946	.8698	.....	847,851
Union, " "	†12,187,422	†134,287	193,253	.....	1.1019	.8392	.....	253,587
Agg. Califor. Co's....	87,739,277	903,920	1,358,530	.....	1.0177	.8838	.....	1,584,794
Cleveland, Ohio....	11,727,377	116,810	269,629	.....	.9960	1.0437	.....	257,299
State, " "	†12,476,857	†163,804	.....	.....	1.3129	.....	.....	.....
Sun, " "	*8,592,185	*85,501	104,751	.....	.9951	1.1447	.....	91,058
Agg. Ohio Co's....	32,796,419	366,115	374,880	.....	1.1163	1.0701	.....	348,357
Lumbermen's, Ills.	*14,421,502	*186,549	.....	.....	1.2985	.....	.....	.....
Merchant's, " "	26,098,913	265,826	496,271	.....	1.0185	1.0987	.....	460,045

TABLE VIII—CONTINUED.

COMPANY.	AVERAGE RISKS 4 YEARS, ENDING 1866.	AV'GE PREM. 4 YEARS, ENDING 1866.	AVERAGE RISKS 4 YEARS, ENDING 1866.	AV'GE PREM. 4 YEARS, ENDING 1866.	RISKS WRITTEN 1870.	PREMIUM 1870.	AVERAGE RATE 1862 TO 1865.	AVERAGE RATE 1866 TO 1869.	AVERAGE RATE 1870.	Premium on bus. of 1870, at Aggr. rate, 4 yrs. end- ing 1866.	Premium on bus. of 1870, at Aggr. rate, 4 yrs. end- ing 1866.
Reaper City, Ills. Republic,	.....	.....	2,692,871 †38,505,343	42,302 †500,051	.....	.....	.....	1.5709 1.2986	.....	.....	.....
Aggr. Illinois Co's.	.....	.....	81,718,628	994,728	45,168,922	496,271	.....	1.2172	1.0987	.....	*460,045
Det. F. & M. Mich.	.....	.....	†7,238,016	†86,885	8,251,253	91,071	.....	1.2004	1.1087	.....	99,048
Ag. Co's of other Stat's	665,262,788	6,131,189	1,572,298,153	16,928,117	1,581,003,000	16,411,327	.9216	1.0766	1.0380	.....	17,021,078
Agg. N. Y. & Co's of other States.	2,491,319,128	16,652,907	4,206,413,337	87,467,360	4,358,454,429	36,225,631	.6843	.8904	.8311	26,310,069	38,807,678
FOREIGN CO'S.											
Imperial.....	.....	.....	†52,964,964	†519,834	77,377,438	728,499	.....	9814	9414	.....	759,382
Liv. Lon. & Globe	129,736,421	912,097	214,807,560	1,794,547	231,442,463	2,271,972	.7079	.8354	.9816	1,638,381	1,933,470
North British & M.	.....	.....	88,527,963	391,873	122,223,834	1,226,055	.....	1.0171	1.0031	.....	1,431,128
Queen .....	.....	.....	26,324,604	234,537	36,020,710	307,857	.....	.8909	.8546	.....	820,908
Royal.....	27,184,917	88,525	23,867,720	120,869	18,745,289	81,197	.9256	.5063	.4331	61,034	94,907
Agg. Foreign Co's	156,921,338	1,000,622	356,492,811	3,061,660	485,809,734	4,615,580	.6392	.8591	.9500	1,699,415	4,539,795
Grand Aggregate..	2,648,840,466	17,653,529	4,562,906,148	40,529,020	4,844,264,163	40,840,704	.6664	.8382	.8430	28,009,484	43,347,473

‡ One Year.

† Two Years.

* Three Years.

And now, gentlemen of the National Board, what do we find to be the condition of the business at this time? I have already referred in a previous part of this address to some of the results. To them, I may add that the year 1870 witnessed the failure of one very prominent agency Company, and of several others of not so much importance, the withdrawal from the busy centres of trade and commerce of others crippled—a fierce and unwholesome competition for business—hostile legislation springing up in many of the states against the Companies, and great and increasing laxity shown in the contracts made by Companies; and added to this a large increase in the number of fires in all parts of our common country. Are not these sufficient causes to make us hesitate before we go further in our downward career? It cannot be denied that the responsibility for this state of affairs rests upon us who are charged with the conduct of the business. It is not our agents who are at fault—agents are usually what the officers of Companies make them; and for all the improper risks taken, insufficient rates obtained, unusual privileges given in the wording of policies, hasty adjustments made, thereby encouraging illegal claims, the manager of a Company is alone responsible. As has been well said by one of our Insurance Journals:*

“This is not the only business in which competition exists, nor the only business in which competition is sharp, earnest and unscrupulous, but it is the only business in which the phenomenon is manifest of all the producers of an article indispensable to the public, agreeing to sell that article below cost, and not only so agreeing and continuing to sell it, but employing for that purpose, each at an enormous expense, an army of salesmen and agents to hunt down customers. If competition is the cause of this anomalous and self-contradictory state of affairs in fire insurance, why does not the same competition produce similar results in other branches of business? Why do not the producers

* Chicago Insurance Chronicle.

of grain, manufacturers of woollen goods, or the smelters of iron, combine in a frantic manner to dispose of their products below the cost of production?"

From these remarks you cannot fail to see that I favor most strongly the continuation of the National Board ; and if we are not prepared at this time to venture upon its re-organization, because the times are not propitious to the establishment of a solid basis of rates, let us at least retain an organization which can be made an engine of great usefulness in shaping the true interests of the business of insurance in this country.

There are many matters of general interest upon which its influence can be very important, such as united action against the sectional and unjust restrictions which are sought to be imposed by many of the States—the classification of various special hazards,—the prevention of incendiarism and arson—uniformity in contracts, and united effort against improper adjustments.

Surely, these afford ample ground for us all to unite upon, even if we cannot agree upon a basis of action, relative to rates.

I cannot close these remarks without congratulating the members of the Board that during the past year we have been relieved from some of the most oppressive burdens of national taxation, viz. : The abolition of the tax of $1\frac{1}{2}$ per cent. upon gross premiums, (due almost entirely to the exertions of John C. Dore, Esq., of Chicago), the large reduction in the stamp tax on renewals, (which result was mainly owing to the perseverance of Richard A. Reading, Esq., of this City), and the reduction of the tax upon profits and dividends from 5 to $2\frac{1}{2}$ per cent., which, we hope, another year will see entirely removed.

Trusting that this review of the past may not prove without its benefits to our common business, I now commit the interests of the National Board to your hands, whose creation it was, and upon whose action its existence depends.

HENRY A. OAKLEY, *President.*

CONTRIBUTIONS TO EXPENSES OF NATIONAL BOARD OF
FIRE UNDERWRITERS BY LOCALITIES.

AMOUNT.		AMOUNT.	
New York City.....	\$25,054 00	Glens Falls.....	\$60 00
Boston.....	5,977 50	Middletown, Ct.....	55 00
Hartford.....	5,840 00	Louisville, Ky.....	40 00
Providence.....	2,160 00	Union Springs, N. Y....	30 00
Baltimore.....	1,808 75	Cairo, Ills.....	28 00
New Haven.....	1,300 00	Houston, Ts.....	28 00
Albany.....	1,185 00	Wilkes Barre, Pa.....	25 00
Chicago.....	1,119 44	Selma, Ala.....	25 00
Cleveland.....	1,015 00	Mobile, Ala.....	25 00
Philadelphia	775 00	Peoria, Ill.....	20 00
San Francisco.....	875 00	Nashville, Tenn.....	20 00
Springfield, Mass.	650 00	Columbus, O.....	20 00
Cincinnati.....	470 00	Burlington, Iowa.....	10 00
Worcester.....	375 00	Detroit.....	10 00
Norwich, Ct.....	365 00	St. Louis.....	10 00
Buffalo.....	335 00	Norwalk, Ct.....	10 00
Newark.....	150 00	Hamilton, O.....	5 00
		Total.....	\$48,875 69

**CONTRIBUTION TO EXPENSES OF NATIONAL BOARD OF FIRE
UNDERWRITERS BY COMPANIES.**

NEW YORK CITY.			
<i>Ætna</i>	\$370 00	<i>Imperial</i>	\$375 00
<i>American</i>	110 00	<i>International</i>	550 00
<i>American Exchange</i>	220 00	<i>Irving</i>	260 00
<i>Arctic</i>	162 50	<i>Jefferson</i>	25 00
<i>Astor</i>	325 00	<i>Knickerbocker</i>	159 00
<i>Atlantic</i>	390 00	<i>Lafayette</i>	15 00
<i>Beekman</i>	90 00	<i>Lamar</i>	390 00
<i>Citizens</i>	390 00	<i>Lenox</i>	195 00
<i>Clinton</i>	137 50	<i>Liverp'l, L'ndon & Globe</i>	1,950 00
<i>Columbia</i>	315 00	<i>Long Island</i>	40 00
<i>Commerce</i>	40 00	<i>Lorillard</i>	800 00
<i>Commercial</i>	260 00	<i>Manhattan</i>	650 00
<i>Commonwealth</i>	300 00	<i>Market</i>	240 00
<i>Continental</i>	650 00	<i>Mechanics</i>	30 00
<i>Corn Exchange</i>	120 00	<i>Mechanics and Traders</i> ...	20 00
<i>Empire City</i>	110 00	<i>Mercantile</i>	110 00
<i>Excelsior</i>	260 00	<i>Merchants</i>	60 00
<i>Exchange</i>	157 50	<i>Metropolitan</i>	390 00
<i>Firemen's</i>	260 00	<i>New Amsterdam</i>	360 00
<i>Firemen's Fund</i>	67 50	<i>New York</i>	260 00
<i>Firemen's Trust</i>	30 00	<i>Niagara</i>	1,300 00
<i>Fulton</i>	260 00	<i>North American</i>	650 00
<i>Gebhard</i>	110 00	<i>North Brit. & Mercantile</i>	140 00
<i>Germania</i>	650 00	<i>Pacific</i>	40 00
<i>Greenwich</i>	140 00	<i>Phoenix</i>	1,300 00
<i>Guardian</i>	240 00	<i>Queen</i>	260 00
<i>Hamilton</i>	40 00	<i>Republic</i>	390 00
<i>Hanover</i>	520 00	<i>Resolute</i>	250 00
<i>Hoffman</i>	190 00	<i>Royal</i>	240 00
<i>Home</i>	2,600 00	<i>Standard</i>	260 00
<i>Hope</i>	142 50	<i>Security</i>	1,050 00
<i>Howard</i>	610 00	<i>Tradesmen's</i>	195 00
<i>Humboldt</i>	110 00	<i>Washington</i>	520 00
<i>Importers and Traders</i> ...	260 00	<i>Williamsburgh City</i>	250 50
Yonkers and New York. \$650 00			

HARTFORD, CONN.			
<i>Ætna</i>	\$2,100 00	<i>Hartford</i>	\$1,050 00
<i>City</i>	325 00	<i>Merchants</i>	210 00
<i>Charter Oak</i>	150 00	<i>North American</i>	315 00
<i>Connecticut</i>	160 00	<i>Phoenix</i>	630 00
Putnam..... \$400 00			

NORWALK, CONN.		MIDDLETOWN, CONN.	
Norwalk.....	\$10 00	People's.....	\$55 00
BOSTON, MASS.			
American.....	\$360 00	Prescott.....	\$120 00
Boylston.....	390 00	S. and L. Dealers.....	260 00
City.....	120 00	Suffolk.....	167 50
Eliot.....	320 00	Tremont.....	200 00
Firemen's.....	360 00	Washington.....	390 00
Franklin.....	160 00	National.....	390 00
Howard.....	260 00	Manufacturers.....	480 00
Hide and Leather.....	225 00	Merchants.....	550 00
Neptune.....	390 00	New England Mutual....	260 00
North American.....	260 00	Boston.....	315 00
SPRINGFIELD, MASS.			
Springfield Fire and Mar.		\$650 00	
WORCESTER, MASS.			
Bay State.....	\$105 00	Mchts' & Farmers' Mut..	\$60 00
People's.....		\$210 00	
PROVIDENCE, R. I.			
American.....	\$220 00	Hope.....	\$195 00
Atlantic.....	260 00	Merchants'.....	260 00
City.....	65 00	Narragansett.....	400 00
Equitable.....	260 00	Prov. Washington.....	260 00
Roger Williams.....		\$130 00	
BALTIMORE, MD.			
Associated Firemen's....	143 75	National.....	105 00
American.....	30 00	Resolute.....	25 00
Firemen's.....	20 00	Union.....	105 00
German.....	10 00	United States.....	187 50
Howard.....	210 00	Washington.....	135 00
Merchants' & Mechanics'	277 50	Maryland.....	60 00
DETROIT, MICH.		LOUISVILLE, KY.	
Detroit Fire & Marine....	\$10 00	Kentucky.....	\$40 00
ST. LOUIS, MO.		BURLINGTON, IOWA.	
Washington Mutual.....	10 00	Burlington.....	10 00
HOUSTON, TEXAS.			
Houston.....		\$28 00	
ALBANY, N. Y.			
Albany.....	195 00	Capital City.....	210 00
Albany City.....	260 00	Commerce.....	520 00
BUFFALO, N. Y.			
Buffalo German.....	20 00	Western.....	240 00
GLENS FALLS, N. Y.		UNION SPRINGS, N. Y.	
Glens Falls.....	60 00	New York Central.....	30 00

NEWARK, N. J.			
American Mutual.....	\$40 00	Mechanics'.....	\$20 00
Newark Mutual.....	20 00	Firemen's Mutual.....	20 00
New Jersey Mutual.....	20 00	Merchants' Mutual.....	20 00
Newark City.....		\$10 00	
PHILADELPHIA, PA.			
Enterprise.....	60 00	Ins. Co. of N. A.	525 00
Ins. Co. State of Pa.....		\$190 00	
WILKES BARRE, PA.		NEW HAVEN, CONN.	
Wyoming.....	25 00	Home.....	1,300 00
NORWICH, CONN.			
Norwich.....		\$315 00	
CHICAGO, ILLS.			
Commercial.....	179 75	Germania.....	20 00
Firemen's.....	140 00	Lumberman's.....	240 00
Garden City.....	115 00	Merchants'.....	379 69
Traders'.....		\$45 00	
CAIRO, ILLS.		PEORIA, ILLS.	
Southern Illinois.....	28 00	Peoria Fire and Marine .	20 00
CLEVELAND, OHIO.			
Cleveland.....	205 00	Sun.....	210 00
German.....	90 00	Teutonia.....	190 00
State.....	180 00	Commercial Mutual.....	140 00
COLUMBUS, OHIO.		HAMILTON, OHIO.	
Home.....	20 00	Butler.....	5 00
CINCINNATI, OHIO.			
Enterprise.....	450 00	Hamilton County.....	20 00
MOBILE, ALABAMA.		SELMA, ALA.	
Washington.....	25 00	Selma Fire and Marine...	25 00
SAN FRANCISCO, CAL.			
Firemen's Fund.....	125 00	Pacific.....	750 00
NASHVILLE, TENN.			
State.....			20 00
Total Contributions.....			\$48,875 69

PRESIDENT'S ADDRESS

AT THE

SIXTH ANNUAL MEETING

OF THE

National Board of Fire Underwriters,

HELD IN THE CITY OF NEW YORK.

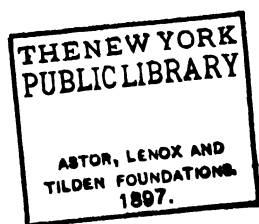
APRIL 17th, 1872.

New York :

CHARLES H. CLAYTON & CO., PRINTERS AND STATIONERS,

No. 160 PEARL STREET.

1872.



National Board of Fire Underwriters.

PRESIDENT'S ADDRESS

AT THE

SIXTH ANNUAL MEETING OF THE BOARD,

APRIL 17, 1872.

Gentlemen of the National Board of Fire Underwriters:

The return of another annual meeting of the National Board of Fire Underwriters and the sixth since the formation of the Board, coming as it does at the close of the most momentous year ever known in the history of Fire Underwriting would seem to demand from us a thoughtful consideration of the events of the past year, events so unexpected and to many so full of disaster and ruin, and bearing so important a relation to the future of the business of Fire Insurance. I would therefore claim your indulgence for a short time, while I endeavor to place before you, as briefly as possible, an outline of these events and a few remarks upon what such an experience has suggested. But before proceeding with my remarks, I would say that during the past year the rooms of the Board have been open as usual, daily, in charge of the efficient clerk, Mr. Post, who has been aided in his duties, when necessary, by the Chairman of the Executive Committee and myself. Care has been taken to file and

preserve the correspondence, records and other property which accumulated during the active years of the Board, so as to render them at all times accessible and useful to such as may desire to consult them.

There has been no meeting held of the Board or of the Executive Committee during the past year. The Board having at its last annual meeting adopted the following resolution.

"Resolved, That a Committee of five be appointed by the chair to report some plan for re-organizing the National Board, such Committee to report at the next annual meeting of the Board, or at a special meeting if deemed necessary," and appointed a Committee to carry it into effect. I have awaited the request of the Committee before calling a special meeting, but no such request having been received, it is hoped and expected that the proposed plan of re-organization will be presented for your consideration at this session of the Board.

Soon after the great fire at Chicago your President consulted with the officers of prominent Companies connected with the Board, both of this and other cities, as to the expediency of convening the Board, but found that owing to the great and overwhelming pressure of business brought upon them in the adjustment of the claims and the rehabilitation of their Companies, they deemed it advisable not to issue the call at that time. At the same time it was hoped that the great necessity which that event showed to exist of an increase in the rate of premiums all over the country would take place by the pressure of public opinion upon the Companies, even if they did not themselves initiate it. That the rates of premium heretofore obtained during 1870-1 had been weakening the ability of the Companies to respond to their liabilities should a great disaster occur, was apparent to all who had given the subject any attention, and events were fast shaping themselves into a demand on the part of the public for better security for the obligations assumed by a needed advance in the rates of premium.

When I had the honor of addressing you a year since, I called attention to the fact, that the results of the first quarter of 1871, indicated that the year did not promise even

moderate returns to the holders of Insurance Capital. It was a year almost unexampled (even before the great disasters of the Northwest) in losses, and I may here say as a slight attempt at justification of the Companies who have been so severely criticised by the public journals for exhibiting a smaller amount of assets at the time of the great calamity than they did on the 1st January previous, that it was the natural result of the business of the year to that time, and a quite extended enquiry among Companies, convinced me that without this disaster the year would have ranked with those of 1865 and '66, in point of disastrous results.

Immediately after Chicago an unwonted activity sprung up on all sides as to rates. Local Boards in every quarter of the North, East, and West, which for years had lost all semblance of vitality, were recusitated, and rates once more placed upon a proper standard, the advance in most cases being to the rates of 1868, established mainly through the instrumentality of this Board. The office of the Board in this city was besieged by anxious enquirers as to what was the proper rate to be charged for risks in various localities, and all looked promising. But as soon as the demand for insurance to replace the business naturally removed from the insolvent Companies had ceased, and matters had settled down into ordinary channels, and the excitement had partially subsided, what did we see? Companies earnestly going to work to ascertain what was the proper cost to themselves for carrying the risks assumed, and proceeding to adjust the rates to this "fair" and equitable basis? No! But slight deviations were at first made, then complaints of cutting under to obtain business again became the order of the day—distrust of each other naturally followed till the result, which you all know was reached, that to-day Companies generally are writing at nearly the same rates as were current before the Chicago fire. Now is there justification for this in the great reduction in the volume of losses? Certainly not; for since the opening of the year 1872, fires have devastated many towns and villages throughout the country; extensive manufacturing establishments have been destroyed, entailing severe losses upon the Companies, and in the words of a leading Underwriter of this city, "Destroying all hope for

this year of making up any considerable portion of the losses of the past year," and even in Chicago there have been found Companies who, not having suffered by the recent disaster there, have been attracted by the prospect of a large business, and in establishing agencies there have authorized their representatives to write at rates from 30 to 50 per cent. less than those current in the place.

R A T E S .

Never was it so apparent to the public as at this time, that Insurance has an actual value, and that if they would enjoy its benefits, they should be willing to pay a fair and living rate for it. But do the public respond to this feeling? We assert that, with rare exceptions, they do not. They rather encourage the efforts made by both unscrupulous men and companies to break down rates; but we know that to secure solvency, we must place rates at least at the cost of production, and to secure confidence in Insurance Capital, we must establish rates so that they will yield a profit and induce capitalists to hold it as a permanent investment, and not as a mere venture. It is this fact that has rendered it so difficult for many of those connected with the Companies who were made insolvent by the Chicago fire to obtain subscriptions to their new capitals, and prevented many Companies from re-organizing under the large and influential capitals which gave them such prominence heretofore.

Pardon me, gentlemen, if I seem to speak earnestly on this point—it is a subject of such vital importance that it requires the plainest speech. The folly of breaking up the usefulness of this Board, though apparent enough before has now received emphatic illustration; we have learned that the average of losses through a period of years may be excessively augmented by such sweeping disasters as that of Chicago. But some argue that it is impossible to make a standard of rates that would provide against such disasters as this. It may be, but we have not been without warnings in the past that such events were possible. Ever since Insurance first began to assume a position of importance in this country we have had them. We cannot have forgotten, for it is within the knowledge of many officers still in the business

that in December, 1835, New York had 648 of its best warehouses destroyed by fire, and nearly all its Companies bankrupted ; that again in April, 1838, in Charleston, 1,158 buildings were burned ; in April, 1845, Pittsburgh lost 1,000 buildings ; in July, 1845, New York, 302 of its best stores and dwellings, and at least half of its Companies became insolvent and others lost a large portion of their capitals ; in 1848, Albany had 300 buildings destroyed ; in 1849, St. Louis, 350 buildings ; in 1850, Philadelphia, 400 buildings ; in 1851, San Francisco, two fires destroyed nearly 3,000 buildings, while Portland, with its \$10,000,000 loss ; Troy, Brooklyn, New Orleans, Mobile, and other large cities of our country, all gave their warnings, and even the old world contributed its quota, when in 1842, one-third of the well built City of Hamburgh was destroyed by fire.

In nearly all these great conflagrations some Companies have been rendered insolvent, and others crippled for years, and it is a remarkable fact that these fires, in almost every instance, followed a period when rates had been diminished to a very meagre standard, and Companies had depleted themselves largely of assets in maintaining their usual dividends. But I do not wish to weary you with further details of this character ; you all know them. Let us hope that wiser counsels will prevail in the future, and that we may have a reasonable chance of recovering some of our lost capital by a thoroughly conservative conduct of our business, and by securing such a standard of rates as will enable Companies to present to the public genuine security.

NATIONAL INSURANCE CONVENTION.

Among the notable events of the past year, the National Insurance Convention, held in this city in May and October 1871, and composed of the officials of the various States of the Union, charged with the oversight of Insurance, deserves more than a passing notice. The opportunity afforded by this Convention for a full discussion of all the principles that should underlie State supervision was thoroughly embraced by the members, and not only were the general principles fully considered, but the whole subject of invidious legislation against Companies of other States,

taxation, State Deposits, and uniformity of annual returns, was set before them by Committees from your own Board, from the New York Board of Fire Underwriters, the New York Chamber of Commerce, the representatives of foreign Insurance Companies, Committees of the Life Insurance Companies of the country (whose interests are in great part identical with our own), but also by individual members of the profession from the Fire Marine, and Life branches, who were invited to and did address the Convention. Delegates from twenty-eight States and Territories were present, at the sessions, which lasted in all over twenty days, and it cannot be assuming too much to say, that the influence of this Convention must be felt throughout the country in the future of Insurance legislation. One of the reforms secured was the recommendation of a uniform blank for annual returns, which has been adopted and put in use by the Superintendents of fifteen States, and probably will be in operation in all the others as soon as legislative sanction can be had thereto. The recommendations of the Convention on taxation, while not all that we had hoped for, is still a great improvement upon present laws, and it is expected that before the close of the year they will be adopted by many of the States whose systems of taxation are now both unfair and oppressive. It is hoped that as this subject of taxation is more and more discussed, the impolicy of any tax upon a business which has so thoroughly demonstrated its great necessity to the country, and by taxing which is really imposing a tax upon the providence of the people, will become apparent to the public mind. It has been argued by those who favor taxation that Insurance Companies withdraw such large sums, in the way of premiums, that they impose a burden thereby upon the prosperity of the State, as every dollar taken diminishes the available capital of a State. A sufficient answer to such an argument is the fact, that the active capital of the State is preserved to it in its business, and not locked up in the hands of corporations, while in the cases of the States of Wisconsin and Illinois, which have been notoriously unprofitable as fields for Insurance, the Companies have actually paid a tax to those States for the privilege of disbursing to their citizens more

than they have received from them, and but for this foreign capital, as it is strangely entitled, the whole State of Illinois would have been plunged into hopeless insolvency, as the result of the great Chicago calamity.

I desire here to say, that my own view of taxation, so far as it relates to Companies of one State doing business in another is, that the taxation should be uniform and should in no case exceed the amount of fees necessary to sustain the Insurance Departments of the States, and these fees should not be paid to the State Treasurers, but to the Departments themselves, but should any per centage be laid upon the business, it should only be upon the net profits made in any State by the Companies doing business therein.

The Convention also perfected and adopted the outline of a "General Insurance Law," which, among other things, provided for the organization of Insurance Departments and uniformity in the laws of all the States, and as it was the result of the experience of those who have longest exercised judicious supervision over the Insurance interests of their respective Commonwealths, it cannot, we think, fail to commend itself to the Legislatures of those States whose laws upon the subject of Insurance, (an interest which, in importance, is rapidly showing itself to be second to none of the great financial interests of our common country), have been heretofore so crude. As the Legislatures of most of the States will have this law officially before them, it is hoped that sound and practical legislation will hereafter result from this effort of the Convention.

The Convention has effected a permanent organization, and provided for annual or more frequent meetings, it is therefore well that we of the National Board, who are charged with the duty of conserving the true interests of our common profession, see to it that they shall not want our cordial co-operation in all measures that look to a proper recognition of true principles in the business of Insurance.

Some years since the project of a National Insurance Law was agitated, and at the time received with much favor by the Companies of the country as affording the needed relief from the oppressive burdens laid upon them by the whims of the legislators of the various States. May not this organiza-

tion of the National Insurance Convention be instrumental in bringing about the desired object, and eventually by the moral pressure brought to bear upon the States by the wisdom of its recommendations, essentially nationalize the business of Insurance, and guarantee to all Insurance Companies complying with such wholesome laws as may be approved, the rights and privileges of doing business in all of the States upon the basis of an entire equality with the local institutions of such States?

RESULTS OF BUSINESS.

I have thought it best to continue the tables Nos. 1, 2, 3, and 4, introduced into my address of last year—they are appended hereto. They do not, however, include the business of 1871 of such Companies as suspended during the year, there being no requirement in the laws of the States making it necessary to report the results of their business to the time of their suspension.

This of course renders the table of 1871 quite incomplete as regards the whole business of the year, but gives us the result of the business of those Companies who survived the Chicago disaster, and which cannot fail to be very interesting. The Chicago experience is, of course, included.

Table No. 1—DIVIDENDS—

Shows that the dividends of the year averaged—

For New York State State Companies...	10 $\frac{22}{100}$
Companies of other States.....	11 $\frac{84}{100}$
Average of both.	11 $\frac{02}{100}$

It should, however, be borne in mind that the dividends of the year had all been made prior to the Chicago fire, and I therefore include those made by Companies who suspended with the following results, reducing the average of—

Companies of New York State to 9 $\frac{84}{100}$ against 11 $\frac{26}{100}$, in 1870, a falling off of 1 $\frac{72}{100}$, or \$514.331.09.

And of Companies of other States, to 10 $\frac{80}{100}$ against 13 $\frac{36}{100}$ in 1871, a falling off of 2 $\frac{56}{100}$, or \$684.675.

Making the grand average for the year

To be $10\frac{20}{100}$ against $12\frac{34}{100}$ in 1870, or a difference of $2\frac{06}{100}$ or \$1,199,007.09 in the amount realized by stockholders from their investments in Insurance capital, as compared with 1870, while the average for the thirteen years for New York State Companies appears to be $9\frac{73}{100}$ against $9\frac{00}{100}$ for twelve years; and for Companies of other States, $12\frac{80}{100}$ against $12\frac{80}{100}$, and for both an average of $10\frac{76}{100}$ against $10\frac{93}{100}$ for the same period.

Table No. 2, of PREMIUMS AND LOSSES—

Without taking into account the Companies who have suspended, shows an advance in the per centage of losses *paid* to premiums for New York State Companies, from $55\frac{41}{100}$ in 1870, to $76\frac{50}{100}$ in 1871.

Companies of other States, from $62\frac{50}{100}$ in 1870, to $92\frac{68}{100}$ in 1871, and in the aggregate, from $58\frac{72}{100}$ in 1870, to $85\frac{18}{100}$ in 1871, and giving a grand aggregate of $61\frac{15}{100}$ for thirteen years, against $58\frac{07}{100}$ for the twelve years.

Table No. 3 of EXPENSES—

Shows an apparent decrease in per centage from $35\frac{21}{100}$ in 1870 to $26\frac{62}{100}$ in 1871, but adding the premiums received on inland business, \$2,918,150.70, to the fire premiums, it makes a grand total of premiums in 1871 of \$39,902,720.70— and adding also the losses on inland business, which were \$1,907,489.22, makes the total losses in 1871 to be \$33,411,669.22, or $83\frac{73}{100}$ of the premiums, if to this we add the per centage of expenses, as above, we have a total of expenditure of $110\frac{38}{100}$, or a loss of \$4,141,902.40 by the Companies on the business of 1871.

Table No. 4—PER CENTAGE OF ABILITY—

Shows that the ability of the Companies to write, which in 1870 was \$206.20 for every dollar of loss, was reduced in 1871 to \$133.56, or \$88.67 less than it was in 1869.

The result of thirteen years' business, therefore, shows a profit amounting to \$22,791,066 arising from the business, leaving out, of course, the suspended Companies. The dividends paid by the Companies during the same time was \$58,138,865. The Companies paid to the stockholders \$35,347,799 realized

from their investments during that period, and as the average capital during the period referred to were \$41,596,153, which at 6% interest, yielded them but \$32,450,000, it can readily be seen that the additions to the surplus of the Companies has not been large.

As a further illustration of the disastrous results of the business of 1871, irrespective of Chicago, I give the following figures from the official report of the Insurance Commissioner of California, showing the result of business in that State.

CALIFORNIA BUSINESS, 1871.

	PREMIUMS.	LOSSES PAID.
Local Companies.....	536,221.93	422,398.10
Eastern ".....	361,680.39	241,605.12
Foreign ".....	706,073.78	542,332.56
	<u>\$1,603,976.10</u>	<u>\$1,307,336.78</u>

PER CENTAGE OF LOSSES PAID TO PREMIUMS.

Local Companies.....	78.77
Eastern Companies.....	61.33
Foreign Companies.....	91.11
Average.....	<u>77.07</u>

It must be remembered, says the Commissioner, "that these figures represent only the losses actually paid, not the losses sustained; all of the Companies carry over into 1872, more or less losses unsettled. Now estimate the cost of getting this business at thirty per cent., and that is low, and we have a net loss to the Companies of over seven per cent. upon the average."

CHICAGO FIRE.

I have thought it might not be uninteresting to place on record a summary showing the actual losses sustained at Chicago by the Companies of all the States doing business in that city, and reporting to the Departments of New York, Massachusetts, Missouri or Michigan, and which embraces about every Company except those of the State of Illinois. It appears from these sources that the whole loss sustained

by said Companies was in the aggregate.\$58,144,538
 Add the estimated losses of Illinois Companies... 33,878,000

Total amount of losses.....\$92,022,538

Of this amount the Companies of

New York State had.....	24,248,646
N. England States “	15,904,000
Illinois “	33,878,000
Other States “	10,813,165
Foreign Companies “	6,604,727

There had been paid of this large sum to the first of January, 1872, without including the dividends made by insolvent Companies,

By the New York Companies.....	\$7,131,646
“ New England and other State Companies..	7,223,552
“ Foreign Companies.....	5,704,727

Of the amounts remaining unpaid, all except about \$7,920,000 is due by Companies rendered insolvent by the fire.

A careful estimate of the probable dividends of these Companies shows that the

Companies of New York city will average.50%, or	\$6,311,000
“ New York State.....25%, or	573,750
“ N. Eng'd and other States.28%, or	4,369,232

Making the amount realized on a liability of \$58,144,538 to be \$39,233,908, or 67 $\frac{44}{100}$ per cent.

I have not given any estimate of the amount that will be paid by Illinois State Companies, as no reliable information can be obtained upon which to found it.

The amount of the capital of Companies doing business prior to October absorbed by the fire was \$23,800,702.

From these reliable figures relative to insurance on property destroyed by fire in Chicago, we are enabled from our personal knowledge of the amount of property not covered by insurance, to place the actual loss by that fire, at a very much smaller sum than has heretofore been mentioned. The actual loss cannot exceed \$118,000,000.

I have been unable for want of time to add to this the amount of Insurance capital lost during the last twelve years,

which would enable us to realize perhaps more fully than we now do how little we have to pride ourselves upon in our business.

CONCLUDING REMARKS.

Such, gentlemen, is the result of the past year, and now what is our duty at this juncture? Are we prepared to act decidedly, armed with the experience which the past has given. Are we prepared to re-organize this Board on a broad and liberal basis, and with no mistaken economy in the expenditure of such money as will enable those charged with its conduct to carry out all needful measures in a prompt and liberal manner.

Is it not a matter of public concern that these great interests, so interwoven with all the material interests of the country, should be wisely conducted? Look at the alarm which the disasters in the Northwest produced last fall, when for a few days it was uncertain whether the great Companies of the country, those upon whom the public had so long and so justly relied for security, would survive the great calamity. Where would the industrial interests be without this much needed protection, and can we afford that protection, if we disregard even the dictates of common prudence? It is our duty to secure to our policy holders undoubted security first, and profit to our stockholders next. The experience of the past and present years show that we shall be successful in neither of these aims, if we fail to reform our method of doing business, and instead of allowing the public to dictate rates to us, insist upon such as the business demands to be necessary for full indemnity and reasonable profit. But some will ask, how is this to be done? I answer, we have all the framework and the machinery necessary to set it going. *It wants but the will and the confidence in ourselves.* Would it be difficult for us to resolve that we will revivify the Board throwing the entire responsibility of rates upon Local Boards, and in this way relieve ourselves of one of the most prolific sources of trouble—then reorganize the Executive Committee by reducing its numbers to seven, and employing as its Executive Agent, a person of skill, experience and judgment, not connected with any Company, who shall be properly

remunerated for his services, and give him such clerical or other assistance as will enable him to discharge his duties thoroughly and promptly. Then let the Companies pledge themselves that their agents shall, in all cases, be members of the Local Boards, and give power to the Executive Committee to enforce this pledge, and you have the beginning of a new order of things, the rest will soon follow if this works to our satisfaction.

I have confidence that the public will sustain us in this effort to protect ourselves, provided they can be assured that we are seeking to strengthen our Companies, and not divide more than a reasonable proportion of our gains to our Stockholders.

I have detained you, however, too long, and it only remains for me to commit the whole subject to your hands for such action as you may, in your wisdom, deem desirable. I feel that without this warning voice I should have been untrue to myself and to you, who have placed me as a watchman on the walls. I trust I have given no uncertain sound.

HENRY A. OAKLEY,
President.

TABLE I.*
1. INSURANCE COMPANIES OF THE STATE OF NEW YORK.

YEAR.	CAPITAL.	DIVIDENDS.	PERCENTAGE.
1859	20,007,000	2,851,722 74	14 25
1860	20,482,860	2,469,090 05	12 05
1861	20,282,860	2,111,788 76	10 41
1862	20,432,860	2,043,898 01	10 00
1863	23,632,860	2,024,742 51	8 56
1864	28,807,070	2,483,370 94	8 62
1865	31,557,010	2,621,284 30	8 30
1866	30,649,660	2,073,375 79	6 76
1867	28,861,232	2,272,237 96	7 87
1868	28,629,474	2,753,723 64	9 60
1869	28,611,232	3,157,359 09	11 03
1870	29,761,232	3,441,904 07	11 56
1871	22,307,010	2,281,140 00	10 22†
Aggregate....	334,022,360	32,585,637 86	9 75

2. INSURANCE COMPANIES OF OTHER STATES.

YEAR.	CAPITAL.	DIVIDENDS.	PERCENTAGE.
1859	12,351,315	1,743,628 00	14 11
1860	9,515,900	1,367,051 92	14 36
1861	9,101,400	1,138,961 00	12 51
1862	9,401,400	1,280,668 00	13 62
1863	9,613,900	1,542,589 00	16 04
1864	12,822,875	1,658,003 48	12 15
1865	12,725,740	1,995,322 81	15 67
1866	13,760,690	1,295,874 91	9 41
1867	16,750,000	1,502,089 00	8 96
1868	20,701,720	2,298,072 74	11 10
1869	22,507,370	3,095,420 30	13 75
1870	22,971,101	3,068,094 61	13 35
1871	21,550,000	2,553,740 00	11 85†
Aggregate.....	193,773,411	24,539,515 77	12 66

3. AGGREGATE.

YEAR.	CAPITAL.	DIVIDENDS.	PERCENTAGE.
1859	32,358,315	4,595,350 74	14 19
1860	29,998,760	3,836,141 97	12 78
1861	29,384,260	3,250,749 76	10 06
1862	29,834,260	3,324,566 01	11 11
1863	33,246,760	3,567,331 51	10 72
1864	41,629,945	4,141,374 42	9 94
1865	44,282,750	4,616,607 11	10 42
1866	44,410,350	3,369,250 70	7 81
1867	45,611,232	3,774,326 96	8 27
1868	49,331,194	5,051,796 38	10 24
1869	51,118,602	6,252,779 39	12 23
1870	52,732,333	6,509,998 68	12 34
1871	43,857,010	4,834,880 00	11 02†
Aggregate.	527,795,771	57,125,153 63	10 82

* Basis figures of 1871, taken from "Spectator" Chart.

† Exclusive of Capital of suspended Companies, the assessments made for impairment will reduce these percentages 9.11, 10.14 and 9.63.

TABLE II.

1. INSURANCE COMPANIES OF THE STATE OF NEW YORK.

YEAR.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	PERCENTAGE.
1859	6,299,688 16	2,681,986 08	42 57
1860	6,710,412 27	3,578,934 15	53 33
1861	6,161,507 88	3,274,115 21	53 14
1862	6,866,355 69	4,227,157 44	61 56
1863	8,987,315 81	3,349,945 22	37 27
1864	13,325,783 32	7,195,271 84	54 00
1865	17,052,086 97	12,046,793 77	70 65
1866	20,786,847 47	15,312,751 13	73 67
1867	21,012,050 18	12,229,492 80	58 20
1868	20,686,198 13	10,188,294 62	49 25
1869	20,537,288 44	9,683,747 78	47 15
1870	20,064,153 14	11,119,308 47	55 41
1871	16,994,367 00	13,016,511 00	76 59†
Aggregate.....	185,484,054 46	107,904,309 51	58 17

2. INSURANCE COMPANIES OF OTHER STATES.

YEAR.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	PERCENTAGE.
1859	8,113,770 40	5,349,261 33	65 92
1860	5,156,136 18	3,414,696 75	66 23
1861	4,365,819 88	2,975,574 58	68 16
1862	4,442,063 30	2,829,574 13	63 70
1863	5,032,342 32	2,397,030 42	45 84
1864	6,815,369 36	4,161,353 13	61 06
1865	8,367,502 58	5,217,824 56	62 36
1866	11,494,557 29	8,600,991 74	74 83
1867	15,150,088 27	8,588,777 07	56 69
1868	16,709,542 12	9,095,684 49	54 43
1869	18,816,290 13	10,370,594 02	55 11
1870	17,173,468 59	10,750,132 28	62 59
1871	19,990,203 00	18,487,669 00	92 48†
Aggregate.....	141,027,153 42	92,149,166 50	65 06

3. AGGREGATE.

YEAR.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	PERCENTAGE.
1859	14,413,458 56	8,031,247 41	55 72
1860	11,866,548 45	6,993,630 90	58 93
1861	10,527,327 76	6,249,689 79	59 36
1862	11,308,418 99	7,056,731 57	62 40
1863	14,019,658 13	5,656,975 64	40 35
1864	20,141,152 68	11,356,624 97	56 38
1865	25,419,589 55	17,264,618 33	67 91
1866	32,281,404 76	23,913,745 87	74 07
1867	36,162,138 45	20,818,269 87	57 56
1868	37,395,740 25	19,283,979 11	51 56
1869	39,353,578 57	20,054,341 80	50 95
1870	37,237,621 73	21,869,440 75	58 72
1871	36,984,570 00	31,504,180 00	85 18†
Aggregate.....	327,111,207 88	200,053,476 01	61 15

† Deducting paid up Chicago losses the figures will stand 34.62, 44.51 and 39.94.

TABLE III.

1. INSURANCE COMPANIES OF THE STATE OF NEW YORK.

YEAR.	NET CASH PREMIUMS RECEIVED INCLUDING INLAND.	EXPEND'S, LESS DIVID'S, LOSSES AND AMOUNT PAID IN INTEREST ON SCRIP AND REDEMPTION.	PERCENTAGE.
1859	6,421,342 54	2,321,645 30	36 15
1860	7,261,595 52	2,401,741 20	33 07
1861	6,827,736 46	2,394,286 96	35 06
1862	7,742,190 88	2,450,074 66	31 60
1863	10,181,030 42	3,195,594 58	31 88
1864	15,618,603 82	4,955,750 45	31 72
1865	19,620,068 09	6,624,501 98	33 76
1866	25,122,152 86	7,945,067 30	31 62
1867	24,095,970 04	7,962,084 45	33 04
1868	22,852,317 62	7,965,124 73	34 85
1869	22,313,250 19	8,173,085 45	36 62
1870	21,504,931 62	8,596,517 23	39 97
1871	17,473,311 00	4,119,714 00	23 57
Aggregate.	207,034,501 06	69,105,191 27	33 37

2. INSURANCE COMPANIES OF OTHER STATES.

YEAR.	NET CASH PREMIUMS RECEIVED INCLUDING INLAND.	EXPEND'S, LESS DIVID'S, LOSSES AND AMOUNT PAID IN INTEREST ON SCRIP AND REDEMPTION.	PERCENTAGE.
1859	8,113,770 40	1,682,912 09	20 74
1860	6,489,166 97	1,339,582 66	20 64
1861	5,572,908 63	1,090,306 77	19 56
1862	5,662,406 74	1,119,831 32	19 77
1863	6,233,193 52	1,305,255 92	20 94
1864	8,224,918 07	1,906,039 80	23 17
1865	9,899,024 19	2,778,629 30	27 96
1866	13,745,339 41	3,846,302 36	27 98
1867	18,140,089 34	5,162,207 67	28 45
1868	20,171,630 19	5,909,686 27	29 29
1869	22,710,895 32	6,751,280 71	29 72
1870	21,088,154 06	6,531,773 44	30 97
1871	23,345,001 00	6,759,678 00	28 95
Aggregate.	169,396,497 84	46,183,486 33	27 26

3. AGGREGATE.

YEAR.	NET CASH PREMIUMS RECEIVED INCLUDING INLAND.	EXPEND'S, LESS DIVID'S, LOSSES AND AMOUNT PAID IN INTEREST ON SCRIP AND REDEMPTION.	PERCENTAGE.
1859	14,535,112 94	4,004,557 39	27 55
1860	13,750,762 49	3,741,323 86	27 20
1861	12,400,645 09	3,484,533 73	28 10
1862	13,404,597 62	3,569,905 98	26 63
1863	16,414,223 94	4,500,850 50	27 42
1864	23,843,521 89	6,861,790 25	28 77
1865	29,519,092 28	9,403,134 28	31 85
1866	38,867,492 27	11,791,369 66	30 33
1867	42,236,059 38	13,124,292 14	31 07
1868	43,023,947 81	13,874,810 99	32 24
1869	45,024,145 51	14,924,366 16	33 14
1870	42,593,085 68	15,128,290 66	35 51
1871	40,818,312 00	10,879,392 00	26 65
Aggregate.	376,430,998 90	115,288,677 60	30 63

TABLE IV.*

1. INSURANCE COMPANIES OF STATE OF NEW YORK.

YEAR	FIRE RISKS WRITTEN.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	Percentage of Fire Losses to Prim's.	Percentage of Fire Losses to F. Risks wr'tn F. Risks wr'tn \$1.00 Loss.	Average Rate of Prem's on Fire Risks.
1860	1,049,551,594	6,710,412 27	3,578,934 15	53.33	.3410	293.26
1861	1,027,112,596	6,161,507 88	3,274,115 21	53.14	.3188	313.71
1862	1,200,721,130	6,866,355 69	4,227,157 44	61.56	.3521	284.05
1863	1,560,687,139	8,987,315 81	3,349,945 22	37.27	.2146	465.88
1864	2,342,666,111	13,325,783 32	7,195,271 84	54.00	.3071	325.58
1865	2,510,595,187	17,052,086 97	12,046,793 77	70.65	.4799	208.40
1866	2,753,493,107	20,786,847 47	15,312,751 13	73.67	.5561	179.82
1867	2,503,847,496	21,012,050 18	12,229,492 80	58.20	.4884	204.73
1868	2,643,720,096	20,686,198 13	10,188,294 62	49.25	.3853	259.48
1869	2,714,198,776	20,537,288 44	9,683,747 78	47.15	.3567	280.28
1870	2,813,983,769	20,064,153 14	11,119,308 47	55.41	.3951	253.07
1871	2,397,339,633	16,994,367 00	13,016,511 00	76.59	.5429	184.17
Agg.	25,517,916,634	179,184,366 30	105,222,323 43	58.72	.4123	242.51

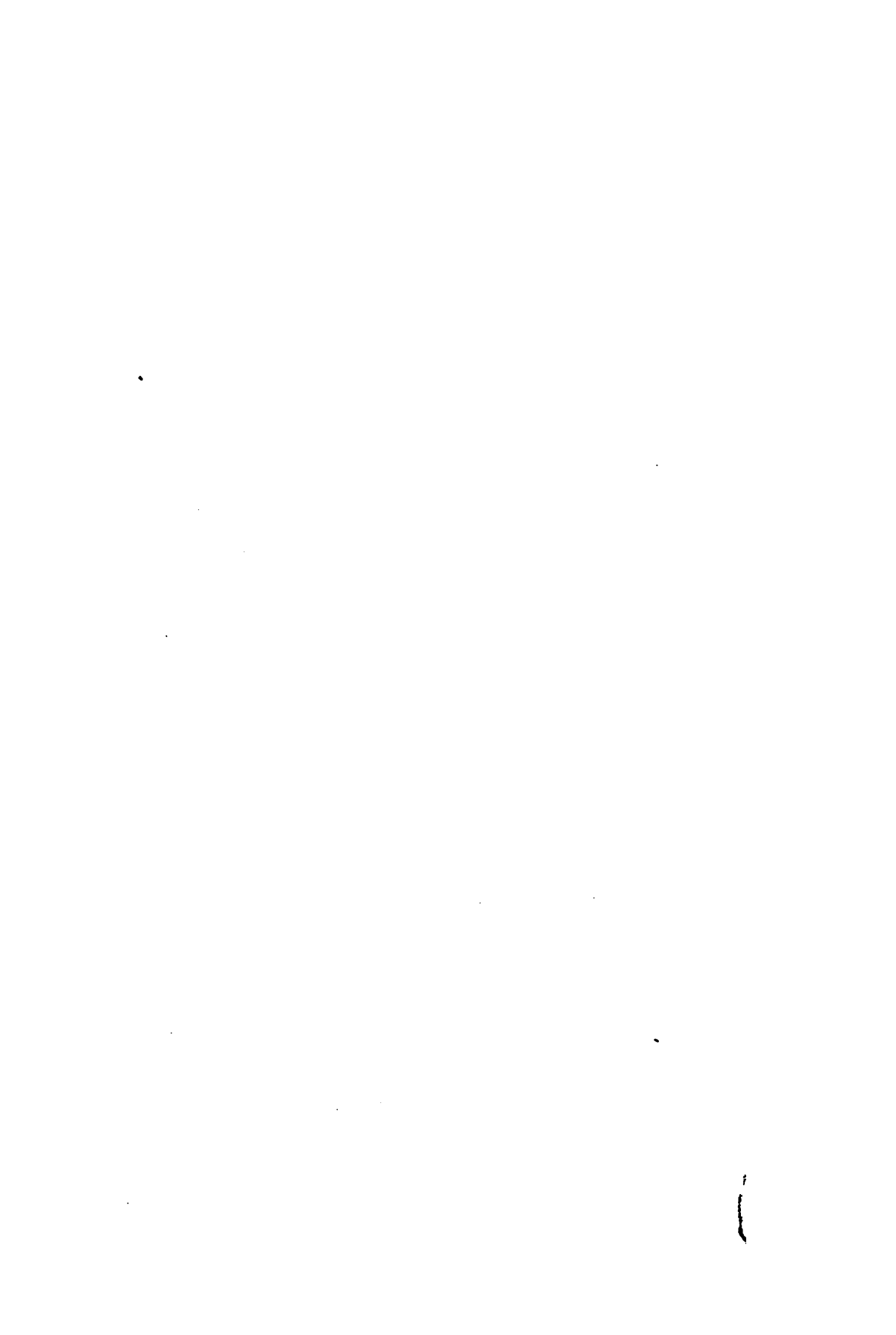
2. INSURANCE COMPANIES OF OTHER STATES.

YEAR	FIRE RISKS WRITTEN.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	Percentage of Fire Losses to Prim's.	Percentage of Fire Losses to F. Risks wr'tn F. Risks wr'tn \$1.00 Loss.	Average Rate of Prem's on Fire Risks.
1860	567,887,673	5,156,136 18	3,414,696 75	66.23	.6013	166.31
1861	502,906,639	4,365,819 88	2,975,574 58	68.16	.5917	169.01
1862	529,267,441	4,442,063 30	2,829,574 13	63.70	.5346	187.04
1863	589,513,659	5,032,342 32	2,307,030 42	45.84	.3913	255.53
1864	823,866,793	6,815,369 36	4,161,353 13	61.06	.5051	197.98
1865	917,510,037	8,367,502 58	5,217,824 56	62.36	.5687	175.84
1866	1,176,555,214	11,494,557 29	8,600,994 74	74.83	.7310	136.79
1867	1,308,447,411	15,150,088 27	8,588,777 07	56.69	.6564	152.34
1868	1,525,775,378	16,709,542 12	9,095,684 49	54.43	.5961	167.74
1869	1,740,609,887	18,816,290 13	10,370,594 02	55.11	.5958	167.84
1870	1,695,633,560	17,173,468 59	10,750,132 28	62.59	.6339	157.73
1871	1,807,458,705	19,990,203 00	18,487,669 00	92.48	1.0228	97.76
Agg.	13,185,432,397	133,513,383 02	86,799,905 17	65.01	.6583	151.90

3. AGGREGATE.

YEAR	FIRE RISKS WRITTEN.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	Percentage of Fire Losses to Prim's.	Percentage of Fire Losses to F. Risks wr'tn F. Risks wr'tn \$1.00 Loss.	Average Rate of Prem's on Fire Risks.
1860	1,617,439,267	11,866,548 45	6,993,630 90	58.93	.4323	231.27
1861	1,530,019,235	10,527,327 76	6,249,639 79	59.36	.4084	244.81
1862	1,729,988,571	11,308,418 99	7,056,731 57	62.40	.4079	245.15
1863	2,150,200,798	14,019,658 13	5,656,975 64	40.35	.2630	380.09
1864	3,166,532,904	20,141,152 68	11,356,624 97	56.38	.3586	278.82
1865	3,428,105,224	25,419,589 55	17,264,618 33	67.91	.5036	198.56
1866	3,930,048,321	32,281,404 76	23,913,745 87	74.07	.6084	164.34
1867	3,812,294,907	36,162,138 45	20,818,269 87	57.56	.5460	183.12
1868	4,169,495,474	37,395,740 25	19,283,979 11	51.56	.4625	216.21
1869	4,454,808,663	39,353,578 57	20,054,341 80	50.95	.4501	222.13
1870	4,509,617,329	37,237,621 73	21,869,440 75	58.72	.4849	206.20
1871	4,204,798,338	36,984,570 00	31,504,180 00	85.18	.7492	133.46
Agg.	38,703,349,031	312,697,749 32	192,022,228 60	61.40	.4961	201.55

* This Table embraces 12 years only.



ADDRESS
OF
HENRY A. OAKLEY,

President of the National Board of Fire Underwriters,

BEFORE THE
ASSOCIATION

OF
General and Adjusting Fire Insurance Agents

OF THE NORTH-WEST,

AT ITS

MEETING IN THE CITY OF CHICAGO, ILL.,

ON

SEPTEMBER 18, 1872.

PRINTED FOR THE ASSOCIATION.

1872.

ADDRESS.

Mr. Oakley, on being introduced to the Association, spoke substantially as follows:

Mr. President and Gentlemen of the North-west Association:

It gives me peculiar pleasure to respond to your invitation to address this Association, composed as it is of the general and supervising agents of nearly all the companies doing an agency business; for I feel that in so doing I am speaking to those who represent the National Board in the field, and who are charged with carrying into practical effect many of the reforms and plans which the necessities of the business have suggested to the companies who compose that Board. Most of you, gentlemen, live at a distance from the centre of operations of the Board, and are not familiar with what is being done out of your own special fields; and I, therefore, think that we might spend a few minutes profitably in considering the importance of the work undertaken by the National Board, and the efforts that are being made to conserve the great interests of fire underwriting in this country.

Soon after the fires in this city of October 8th and 9th, a number of the larger companies, interested in the agency business, thought that the time had come for a revivification of the Board, and with

a view of ascertaining the general sentiment, consultations were held which resulted in a decided advance in rates in most of the large centres of commerce, by common consent, but without organized effort; while in a few places the local boards were at once organized and new rates established that met the great emergency. There were still a few places where the local boards had been carefully preserved from the general demoralization which took place in 1869-70, (and among these Cleveland, Ohio, Louisville, Kentucky, and Rochester, New York, deserve honorable mention,) and to these there was a large accession of membership, and they became both stronger and more useful in their respective localities.

Meanwhile, we in New York especially were watching with great interest to see whether the tide had really turned, and the spell of virtue was to be a lasting one; or whether, when the first effects of the great calamity had passed, the companies would return to old practices and practically forget the severe lesson taught by Chicago.

We had not long to wait, for sixty days had not elapsed before complaints began to reach us on all sides of bad faith, and we saw that the time had not yet arrived for the National Board to re-assert itself. But when soon after the opening of 1872, the almost total exemption of losses which had characterized the later months of 1871 began to be supplemented by extensive fires in every part of our land—the losses by which you, gentlemen, who attend to their adjustment had the best opportunity for knowing—that

the feeling began again to assert itself that something must be done or the companies would be involved in hopeless ruin. Out of this necessity grew the re-organization of the National Board, and this time, on the part of those who undertook it, with a determination that there should be no failure. We were aware of the difficulties, the responsibilities, and the prejudices we should have to encounter; but fortunately there was courage enough to meet them all, and we succeeded.

It was about the 1st of May when the organization was perfected, and the general agent, Mr. Montgomery, appointed, and from that period to the present time we have been diligent in carrying out the views of our members, with what success you can best judge when I tell you that we already have official information of the organization of 498 local boards, mostly in the considerable towns and cities of the United States, and nearly all of whom are working successfully and harmoniously, and the rating of 229 other places with their organizations in a state of more or less forwardness; besides which there are a large number of other places that we have knowledge of, but have not yet been officially informed about. You will appreciate the magnitude of this work when I say that during the three years of the former rule of the National Board less than 1,200 places were rated, while we, in four and a half months, have accomplished three-fifths of that number already.

But this is not all; in addition there have been organized no less than thirteen State and District

Boards, all as auxiliary to the National Board. The first State to organize was Ohio, and I am well aware that it was to the influence of your Northwest Association that we were indebted for this first association, and I thank you most heartily for it in the name of the National Board. This was followed by Michigan, then by Indiana, Kentucky, Missouri and Kansas, Wisconsin and Minnesota, Iowa and Nebraska, New York, New England, New Jersey, Pennsylvania, Southern States Association, and recently Illinois, thus covering nearly the entire territory of the United States, except Maryland, the Virginias, Tennessee, and the Pacific States. The value and usefulness of these State and district auxiliaries we are realizing every day, as it enables us to correct abuses and institute reforms with more promptness than could be done if the central office was to be called upon not only for the direction but the execution of all the mandates of the Board. Now, what has been the cause of this success? It can be answered in a few words. Faith in the justice of our cause and in each other, and I take pride in stating that we have yet to learn of the first instance of a member of the Board refusing to correct bad practices, or even to remove a contumacious agent when it was found the interests of the Board required a change.

When we looked back upon our failure in former years, we saw that we failed because personal interests and professional jealousies were allowed to interfere with the common welfare; and we also saw that a business which had so much to contend with

from the misapprehension and prejudices of the public, could only be maintained successfully by a union of all the best companies of the country upon the broad principle of a common interest; and that if we laid aside our strifes and petty jealousies we could prove ourselves equal to the emergency, and preserve the capital under our charge, and in time make it again reasonably remunerative. And are we not justified in thus uniting for the common good? You, gentlemen, coming from so many of the States of this Union, what can you say for your respective localities? Is there one of your States that does not, in some way, seek to impose burdens upon the business of underwriting that are grievous to be borne? What mean the taxes, licenses, and other demands of village, town, county, and State, which meet us on every side, and when objected to of what avail is remonstrance? Are we not met by the assertion of every village politician and civic dignitary, from the alderman to the judge, that "foreign capital" ought to be taxed? Foreign capital, indeed! Where would this city in which we are now assembled have been without this much taxed and restricted foreign capital? Would its home companies have saved it from utter ruin? The question needs no answer. You and I well know that the prompt and liberal, and I think can safely add, almost reckless adjustment and payment of claims by the representatives of this taxed capital alone, saved thousands of its citizens from bankruptcy. There seems to exist in every community, however limited, a feeling that every one who is not of it must be considered a for-

eigner, so far as protection and a respect for the rights that are really guaranteed by the spirit of the constitution of our common country are concerned. It is a mean, a narrow spirit, and one that cannot be sufficiently reprobated; for it is the enemy of thrift and enterprise. But to return: Has this notable event at Chicago caused the great public to regard us with any more favor? Do they realize any better how great a protector the fair and upright underwriter is of the industry, commerce, and manufactures of the country? I fear not, for have not the courts of this land, high and low, regarded us as being almost without standing before the law, and by their decisions again and again granted the right of recovery where they should have interposed the shield of justice to protect companies against wholesale frauds and grievous wrongs? Perhaps I speak too warmly; but an extended experience in my profession, covering more than thirty years, convinces me that there can be no protection to the common interest except by union, and this union we expect to find in the National Board. This is one reason why I stand here and plead its cause, for without its moral help none of us would be strong enough to resist the accumulation of popular distrust by which we are so constantly met. An impression seems to have taken hold of the public mind that the business of underwriting has been immensely profitable, except in such exceptional cases as Chicago, but what are the facts? We know that it costs a company (as the results of thirteen years' aggregate experience of all the companies in the United States

show) 31 cents to secure one dollar of premium, to this must be added 59 cents for losses, leaving then 10 cents of every dollar as the margin for profit—this, however, is subject to deduction for extra losses, taxes, &c., which more often reduce it to 6½ cents; so that a company with a capital of \$500,000, and doing a business of \$300,000 per annum, has the intense satisfaction of looking forward to a profit of four per cent, on its capital as the result of a large, laborious, and hazardous business. Is it a wonder, then, that ninety per cent. of the insurance capital of the country have heartily united in this new movement? Depend upon it they are in earnest, and we want you, gentlemen, to feel that they are; for your aid will be a most valuable assistance to us in our efforts to save our capitals from further disaster, and secure from the community that just recognition of our rights to which our great public service entitles us.

As I listened to the reading of your Constitution and By-laws, I was struck with the practical character of the subjects committed to your standing committees, and among them I noticed

State Legislation,
Adjustments,
Statistics,
Supervision of Agencies, &c.

Had I not already trespassed so long upon your patience, I should take pleasure in commenting upon these various subjects, so important to the vital interests of underwriters. With the opportunities afforded by your practical work of acquiring

information in every part of your respective jurisdictions, you cannot fail to accumulate much that is of value, and it is to be hoped that means will be taken to preserve and crystallize it, so as to render it of use to the National Board in the prosecution of its plans and reforms. But I cannot refrain from saying a few words upon the first named and most important subjects, State Legislation and Adjustments.

In the early part of my remarks I alluded to the many burdens which the ingenuity of legislatures and civic corporations had devised for our hurt, burdens so diverse in character that it seemed as if every ambitious politician who was striving for popularity among the people of his district or State had tried his "prentice hand upon them."

With such an organization as you possess, together with the State auxiliaries of the National Board, much of this legislation might have been and can be prevented. Well digested laws, recognizing and conferring the same rights upon companies from sister States that they do upon their own, we have no objection to; but unfair and discriminating legislation, we hope, through your organized efforts, will become more rare in the future.

That such results can be obtained has been proven in a neighboring State, where a bill was introduced by a member of the lower House to the effect, "that no company should be permitted to assume risks for a greater amount than ten times its capital stock." It passed the House where it originated, and was seriously considered in the other branch,

but was defeated by a simple showing of its gross absurdity by the local agents through the medium of the press in all parts of the State. I commend this incident to you as showing one of the many facilities within your reach for creating healthful public sentiment in regard to obnoxious laws.

And now a few words as to "Adjustments," and I have done. It is a subject so suggestive to an underwriter, and opens so large a field of discussion, that I hesitate to enlarge upon it before a body of gentlemen whose daily experience brings so many of the evils under which we labor to their notice. One of the earliest acts of the National Board was, through a special committee, to call the attention of companies to the great abuses that had grown up in this connection, and asking that radical and immediate correction should be applied to the pernicious practices which threatened to involve the good name of the profession. We have all learned to deprecate the adjustment of any but very plain and moderate claims by local agents, whose natural bias must be toward the friend and neighbor whom he constantly meets in the social or business circle. This view is now so generally acquiesced in that I apprehend but little trouble from this quarter in future. The duty of an adjuster is not only a delicate one, but it requires at times a large share of moral and physical courage; and yet his way is generally made easy when he gains the confidence of an honest claimant by his evident desire to deal fairly. No company has a right to avoid fulfilling its contract, and it is not the duty of an adjuster to

save for his company, at the expense of violating the obligation of that contract, to fully indemnify the assured for his actual loss. The true adjuster requires a large stock of good nature, patience and industry, which he must bring to bear upon his investigations, with a leaning to the assured when consistent with his duty, and when there is no suspicion of fraud or wrong doing. It is in the power of an adjuster to make the company he represents honored, or the reverse, by his course; and he is certainly the wiser who in the management of his cases creates a reputation for his company of always requiring a respect for their own rights while they deal full and exact justice to the claimant.

I will not comment upon the character of many of the so-called adjustments in this city during the last year. Much must be forgiven on account of the overwhelming number which all were called upon to pass; but it cannot be denied that many unsound principles were laid down and asserted, which I fear will return to plague their inventors ere many days. I only hope that these errors, wherever met in future, will be promptly disavowed.

I cannot conclude these desultory remarks, spoken to you so familiarly and without previous thought—which must be their excuse—without thanking you for the kind and cordial manner in which you have received them, and indulging the hope that our meeting together may not be without good results to the interests of the National Board, which I am sure it is the desire of all of us to promote.

ADDRESS OF PRESIDENT.

GENTLEMEN OF THE

NATIONAL BOARD OF FIRE UNDERWRITERS:

You have been called together to consider what action becomes necessary in consequence of the new crisis which the recent fire in the City of Boston has brought to the business of Fire Insurance in this country. A crisis greater by far and of an infinitely graver character than we have heretofore been called upon to consider, for it has brought us face to face with a danger which we have long felt might exist, but which we have been unwilling to acknowledge to ourselves—the danger of the entire absorption of the Capital of Fire Insurance Companies doing business in the United States, by extensive, unlooked for, and destructive conflagrations.

But few of us really felt that we should, during the rest of our official lives, witness another such calamity as Chicago in 1871. Yet the Boston Fire of 1872 intensifies the significance of Chicago, and bids us take warning and make provision for similar occurrences in others of the large commercial centres of our country.

Not only does it concern us who are entrusted with the care of Insurance Capital, but it concerns the capitalist himself, the stockholder, the owner of real property, the merchant, the manufacturer, and, in fact, every class of our citizens, to see to it, that provision is made not only for greater security by the prevention of such mishaps in the

future, but also by enlarged accumulations, enabling the Companies to meet them without bankruptcy.

I apprehend that there are but few intelligent persons who will claim that the margin of profit heretofore secured, (at no time in the past 13 years averaging over ten per cent of the premiums received,) is sufficient to meet these demands upon our resources, and therefore we have reasonable ground to believe that the public are now ready to meet our very equitable and just exaction of better rates everywhere for insurance upon property.

This is the paramount question which must engage the attention of the Board at this session. The thorough organization which we have been able, since the last meeting, to evolve out of the state of chaos which then existed, makes the task one of less difficulty than at any other time; but in order to accomplish this effectually, it may be necessary to make some changes not only in our plan of operations, but in our organization,—the details and suggestions in regard to which will be given in the report of the General Agent, Mr. MONTGOMERY, soon to be submitted to you.

There are other topics of great importance which I have no doubt will be developed by the present situation, and by the experience had in the past six months operations of the Board.

To all of these matters I trust you will give thorough consideration, and let your deliberations be characterized by calmness and determination, and you cannot fail of success.

The whole country is alarmed at the increasing dangers to property, which the events of the past and present years have shown to be possible, and is looking to us to do what may be in our power in the exigency.

This Board affords, by its union of all the great, and nearly all of the smaller Capitals engaged in the business

of Fire Insurance, an admirable medium to secure reforms not only in rates of premium and contracts of insurance, but also in the construction of buildings and in the means for the prevention of great conflagrations.

Look to it then, gentlemen, that we be not found wanting in the courage and skill which is necessary to meet this unexpected emergency, and that we be not deterred by the fear of adverse results from a manly assertion of our right to a full compensation for the real protection afforded to the general interests of the country by our Capital.

NATIONAL BOARD
OF
FIRE UNDERWRITERS.

ADDRESS OF THE PRESIDENT

AT THE
SEVENTH ANNUAL MEETING
OF THE BOARD

April 23d, 1873.

New York:

CHARLES H. CLAYTON & CO., PRINTERS AND STATIONERS,
160 Pearl Street.

1873.

National Board of Fire Underwriters.

ADDRESS OF THE PRESIDENT

AT THE

SEVENTH ANNUAL MEETING OF THE BOARD

APRIL 23RD, 1873.

*Gentlemen of the National Board
of Fire Underwriters:*

Following the precedent of former years, I propose to ask your attention to a retrospect of the past year, the seventh of the existence of this Board, and a marked one in its history, as well as in that of fire insurance. We came together a year ago, spurred on by the great calamity of the previous October, with a determination to reorganize and to seek to recover by a readjustment of rates and a return to sound practices in underwriting, some of the lost ground of the two previous years' inactivity. We realized fully that our failure in former times was mainly due to the fact that we had allowed personal interests and professional jealousies to interfere with the common welfare, and we resolved to have faith not only in the justice of our cause, but in each other.

This faith, I am glad to say, still exists, and the experience of the past year has shown how easy it will be to perpetuate it, if the future of our operations be con-

ducted on the same honorable principles. We have demonstrated our ability to maintain a harmonious Board, and to present a united front against the strong tide of demoralization which had set in.

One of the first duties devolving upon the Executive Committee was the selection of a General Agent to fill the responsible office created by your action. I feel that I speak the sentiments of every one of the gentlemen of that Committee, when I say that to the tact, discretion, intelligence and untiring activity of Mr. Thomas H. Montgomery, who has filled that position for nearly a year, are due, in a large measure, the great progress and success that has attended the operations of the Board. His position is one of much difficulty and delicacy, and the Board can congratulate themselves upon having an officer who, while he has fully upheld its dignity, has at the same time secured the confidence of both managers and agents, with whom he has been brought in contact.

I do not propose to enter into the details of the work done at the office during the past twelve months,—that will be fully set forth in the General Agent's report, which will be presented to you to-day.

I shall have something to say hereafter in regard to rates, but would here remark, that the wisdom of our movement of last April was never more apparent than when the new calamity of the Boston fire overtook us in November last, for it had already secured to the companies in the advance made, a partial replenishment of their exhausted treasuries, and enabled them the better to meet the new misfortune. It also enabled the Board, with its perfected machinery, to secure the second and more decided advance then ordered throughout the United States, with but little difficulty. Had we no other result than this to show as the work of the year, we should be content, but we feel that we have cause for congratulation in the harmony and concert of action which prevail generally throughout the country, not

only among companies but among local and supervising agents ; also that the jealousies and dissensions among employees as well as managers have given place to hearty co-operation and earnest support of mutual interests ; that State and Local Board organizations have been made such effective auxiliaries to the central organization, and that agents and public, through the medium of schedule and minimum tariffs, have been educated to a better appreciation of the hazards which enter into risks as well as the rate due companies for granting them protection. All of this shows work well begun, and gives us hope for the future.

So much by way of preface. Let us now consider some of the matters closely affecting the interests of underwriters—the first subject I shall ask your attention to is that of

STATE BOARDS AND AUXILIARY ASSOCIATIONS.

I have referred to the fact that in carrying out the measures of the Executive Committee, the Board have received most valuable assistance from the State Boards and other auxiliary associations. These are now in active operation in thirty-one States, well organized, and officered in the main by men thoroughly imbued with the importance and earnestness of the mission of the National Board, and are working harmoniously in its interests. The States are each divided into districts, each district being under the control of a committee of visitation. The first association that was formed was prior to the Chicago fire, and dates back to February, 1871, and grew out of the necessities for conference, which special agents having State supervision found to exist. This Association was called the " Association of the North-West," and in the preamble to the constitution are these words :

" Recognizing our position as subordinates, dis-
" claiming any invasion of the jurisdiction of our

“superiors, and attempting only such action as legitimately comes within the scope of our delegated authority.”

Formed on such a basis, it was until March, 1872, the only organized body of this valuable class of our fellow workers, and after our re-organization, it amended its Constitution, so as to become an auxiliary to the National Board, and as such has rendered efficient service.

The State Boards were organized in the order and at the dates named below.

March 20, 1872.	Ohio,	at Columbus.
May 2, “	Indiana,	“ Lafayette.
“ 14, “	Michigan,	“ Detroit.
June 8, “	*Kentucky,	“ Louisville.
July 10, “	Pennsylvania,	“ Harrisburg.
“ 23, “	New York,	“ Syracuse.
“ 24, “	Iowa and Nebraska,	“ Des Moines, Ia.
Aug. 15, “	New Jersey,	“ Newark.
“ 27, “	New Engl’nd Association,	“ Springfield, Mass.
“ 28, “	Missouri and Kansas,	“ Kansas City, Mo.
Sept. 17, “	Illinois,	“ Chicago.
Oct. 8, “	Wisconsin & Minnesota,	“ Winona, Minn.
“ 16, “	Southern Association,	“ Atlanta, Ga.
Feb. 26, 1873.	Virginia,	“ Richmond.

* The first one to adopt a Tariff.

From most of these auxiliary Boards we have the report of their operations. They will be found full of interest to Underwriters, and are appended to the General Agent’s Report as a part of the history of the past year.

It is my opinion that in these auxiliaries lies one of the chief elements of the success of the National Board,

and their method of operation needs the careful consideration of the Board at this meeting if we wish to make them more efficient and useful in our future operations. A better distribution of labor, and a plan for providing for the needful expenses of these associations must be adopted. From the peculiar character of their work, it is felt that a just claim exists upon the general treasury in their behalf. The expenses of the past year have been variously met—by individual subscriptions—by assessments upon Companies—and by the National Board.

A plan should be adopted that will be equitable to all who are benefited by their operations. I desire at this time, in behalf of the National Board, to publicly thank the State auxiliaries for the very efficient help they have rendered during the past year, and for the unselfish efforts and labor on the part of their members for the general good. The benefits of the reforms they have instituted in many of the fields covered by our operations, we are now daily realizing.

LOCAL BOARDS.

When the Board determined at its annual meeting in the month of April last, to confide to the Local Boards of the country the responsibility of making rates by which they were to be governed, a survey of the field by the Executive Committee, and its then newly-appointed General Agent, showed that there were but a very limited number that could be entrusted at once with this responsible duty, not over fifty in the whole country being in such a state of organization as to be immediately available. Our whole energies were promptly devoted to the formation of these in all the leading cities and towns of the country. We found the task easier in the smaller communities, and an estimate can be formed of the amount of labor accomplished when it is stated that there are now in active and efficient operation no less than 810 Local Boards,

comprising in their limits 1,986 places, with a constituency of 7,823 agents. This great result is due principally to the earnest and energetic manner in which the Companies required their agents to assist in their formation, and to live up to all rules and regulations adopted. In the early formation of these boards, many rules crept into their constitution and by-laws which were really detrimental to the true interests of both companies and agents, and the Executive Committee found it necessary to prescribe a form of constitution and by-laws which has been substituted for those previously in use by a large majority of the local Boards in the country. Now, all this has not been done without great opposition from both local companies and agents. It has been said with much truth "that agents are what companies make them," and we have had full exemplification of the wide-spread demoralization which had seized upon the business, by the determined opposition to any organization or system of rates made by agents who had too long been indulged by their companies in their own methods of business; and we feel it our duty to say here, that more annoyance was caused to your officers and hindrance to the operations of the Board by agents than by the combined opposition of local companies and the public; for the public were frequently more ready to pay the advance in rates than the agents were to impose them. This crisis in our affairs is happily now past, and while we have a word of condemnation for those few who sought under the influence of narrow prejudice and for selfish ends to oppose us, we have a hearty word of commendation for that great mass of agents who felt it their privilege to assist their companies in the very needful measures of reform that had been instituted. You will learn from Mr. Montgomery's report the general working of this large body in whom the National Board have so lively an interest. If I may be pardoned

in making a suggestion, which by the experience of the past year has been forced upon me, I would recommend to companies the disassociation of local and supervising agency interests. It cannot but be that the latter class are influenced unfavorably in their judgment by pending contingent interests.

There is much yet to be done by the members of this Board to make the local Boards of the country the useful and reliable auxiliaries that we ought to have. Since the Executive Committee adopted the plan of supervising them by special agents of the National Board, not connected with any company, most happy results have followed in places where it had heretofore seemed to be impossible to reconcile difficulties.

The prompt compliance by companies with the demands that have been made by us upon them after this careful supervision, has made our task easier. It is my opinion that a further extension of this kind of supervision will be promotive of great practical good, and I would recommend its extension to other parts of the country not so covered, and the employment of other judicious supervisors under the direction of your General Agent. The question of the additional expense would, I think, be more than balanced by the beneficial results. It is a subject of congratulation to us all, that among so large a number of Local Boards, the number of cases of members who required to be disciplined have been so few, only about 50 convictions having been had during the past year, resulting in the removal of about 35 agents. This record is an honorable one for the agents as a body, more especially so as many of them were such unwilling members of these associations, and shows a higher degree of discipline than we had a right to expect, as the result of a single year's effort. We would call attention, however, to one point where we think the companies can materially advance the interests of Local Boards. We are all

aware that agents write complaining letters to their companies in regard to the situation of things in their locality, more often taking counsel of their fears, or being deceived by designing persons. If such letters are at once sent to the General Agent's office, an explanation can almost invariably be had, and if evils do really exist, it gives him the opportunity of at once applying the correction.

RATES.

We come now to the consideration of one of the most important topics connected with our operations—the subject of “Rates.” Three years of demoralization of Rates had made the task set your Executive Committee at the last Annual Meeting one of great difficulty. The spasmodic advance after Chicago, in October, 1871, had passed away, and, at the time of our annual meeting last year, the average rate had settled down to about what it had been during the early part of the previous year. This we all felt and knew was entirely inadequate, and a large and decided advance was vital to the business of fire insurance in this country. How to secure this without exciting too strenuous opposition was the delicate task to be solved. A sense of the justice of our demand, and a determination to secure proper compensation for the risks we assumed was the result arrived at, and when it was directed that rates were to be advanced at least 50%, or business declined, it was met with good feeling on the part of the public, and cheerfully acquiesced in, for they had been learning the truth of the saying, that the safety of insurance was not alone in capital, but depended largely upon adequate rates. As has been well said in the report made in 1850, by Mr. Phillips, to which I shall hereafter allude :

“ All reasonable men are willing to pay premiums
 “ for the insurance of their property that will be suffi-
 “ cient to meet the losses, and yield the Companies a
 “ fair compensation for the hazards to which their capi-

“tal is exposed. As for those who are not willing to
 “sustain such Companies, they will have no difficulty
 “in getting their insurance with Mutual or other
 “Companies without capital, or they may establish
 “Companies of their own, that may run the race,
 “and come to the end that has usually terminated the
 “career of Companies doing business for insufficient
 “premiums. Some of these, who only look at the sur-
 “face of things, may say that our consultation together
 “to avert impending ruin is a combination to establish
 “a monopoly. They do not perceive there cannot be
 “a monopoly when there is no obstacle in the way of
 “competition—that exorbitant premiums would defeat
 “the object by raising up such competition. Rates of
 “premium that are sufficient to meet the aggregate
 “amount of losses can only be ascertained by the ex-
 “perience of many years, not the experience of one
 “Company, but the experience of all the Companies.
 “There is no other safe guide for the transaction of
 “business.”

The further advance ordered by the Board in November, 1872, has also been made, and to-day the rates of premium are for the first time in many years nearly commensurate with the hazards of the business. I say nearly, because they have not as yet been thoroughly adjusted to the diverse localities covered by the Board. In order to secure greater equity in rates, the Executive Committee, in September last, issued a Schedule of Rates applicable mainly to stores and business risks. It has met with great favor, and wherever adopted, as in the cities of Buffalo, Toledo, Evansville, and others, has led to excellent results, discriminating as it always does in favor of the better class of insurable property. The New York Schedule system, better adapted to the rating of large cities, like Philadelphia, Boston, Chicago, or St. Louis, is in full operation in New York city, and by its judicious charges for deficiencies in buildings, is doing almost as much towards securing desi-

rable structures for insurance as a law regulating their construction. We most cordially commend this Schedule system to all large and growing towns, being certain that under it much of the complaint which is sure to follow an advance of rates is met when it is shown that all good buildings can still be insured at moderate rates. I would mention that under the New York Standard, there are buildings, that with their stocks are rated as low as 45c., while the average rate through the city on business risks is from 90 to 100c.

The results of business since the establishment of the last advance have not been so favorable as to create any misgivings that the rates are too high ; on the contrary, I fear they are not yet high enough. It is true that there is a class of Companies who seem to think that their career at low rates is likely to prove an exception to the result that has overtaken all who have sought to obtain business at less than tariff rates. It is not our province to quarrel with them, we merely point to the record of over 60 years' experience as an answer to their pretensions. That the advanced rates are vital to the solvency of insurance capital is self-evident, and anyone who seeks to deny the necessity of them is an enemy to the public weal, for he is seeking to impose upon the public a false sense of security which the results of all these years do not warrant. As has been well said recently by one of the Insurance Journals, " It is safe to say that every Agency Company doing a 'cheap' business was ruined by the Chicago or Boston fires, and that policy holders of the penny-wise and pound-foolish description found their investments had been the costliest they had ever made. If then the past is but a record of failures, growing out of the insufficiency of accumulated assets to meet extraordinary demands, it is the height of foolhardiness in Underwriters and Insurants to attempt to breast the storms of the future without a radical change of policy."

In addition to the Schedule of rates upon business risks, the Executive Committee have been perfecting standard rates for Mills and manufactories of various descriptions, Elevators, Hotels and public buildings, which cannot fail to be of great service to the insurance interests.

BUILDING LAWS.

The attention of Underwriters has naturally been directed to the Building Laws existing in the large cities of the country, since we have had to contemplate the destruction of large and most valuable portions of great cities by single fires, for we have reason to believe that faulty construction, poor materials, and the excessive use of wood and other combustible substances, were elements which contributed largely to the rapid destruction of property. The result of a careful examination of most of those in existence at the time of the burning of Chicago, showed great lack of precautions against calamity, in fact, with the exception of New York, no large city had a law which even remotely provided for the erection of superior buildings, calculated in time of trial to resist fire, and even in New York the law was rendered almost nugatory by the manner in which it was administered. By the individual efforts of some Insurance officers, in view of the great crisis in that city, a good law was secured in Chicago, which has led to the erection of a better class of buildings than ever before graced it. The Boston law, while fully providing for the thickness of walls, wholly neglected to provide for protection upon the tops of buildings by proper division walls extending through their roofs, and at the same time allowed huge piles of timber to be used in the construction of roofs with no covering but an outside layer of slate, which was ready to crack and fall at the first approach of fire. The law since Boston's great fire has been somewhat changed, but is far from what it should be ; it still allows wooden Mansards, provided

fire walls are carried above the roof. It is evident, therefore, that if Boston is to be rebuilt properly, it must be outside of its laws. There should be a compelling law in that city to secure the construction of parapet walls between dwellings, for it is within my own knowledge that there are a score or more of rows of first-class dwellings, from twenty to thirty each in number, and all having wooden Mansard roofs, located in the very best part of that city exposed to destruction by a single fire from these continuous roofs, there not being a fire wall in any of the rows. In Philadelphia, recent examinations have shown that glaring and outrageous evasions of even the moderately strict law of that city had been allowed by the building Inspectors, whose duty it was to enforce it. Now if this be the case in our great cities, what must it be in the smaller ones?

Owners of property, builders and architects alike, seem to have been wilfully blind to the immense risks they were imposing upon property by the modern style of building, which, without even beauty or character to recommend it, has obtained in this country. Even the insurance interests, though somewhat alive to the danger, were afraid to assert their knowledge, and decline to insure such buildings, preferring to go with the multitude; the penalty has been paid for this neglect of duty, at a fearful price by us all.

The fact is, and we cannot, and do not care to conceal it, our laws upon the subject of the construction of buildings have been too crude, and even those we have, not well enforced. In Europe, it is different. Not only does the government make proper laws on this important subject, but it enforces them, and in the cities of Paris, Vienna, Florence, Berlin, Amsterdam, Dresden and Madrid, the government maintains a constant and very careful supervision by trained architects over the buildings in process of erection or alteration, no mere politicians, speculative builders, or civilians being

allowed to have a voice in the matter. It is a hopeful sign that the public press seem to have awakened to the great importance of this matter, and as the journals of all our great cities have been discussing the question of safety in building with marked earnestness, it cannot fail to awaken healthful public opinion on this vital subject. I have taken pains to collect the laws of all the leading European Cities in regard to buildings, and have given them careful reading, and do not find any provisions in them that it would not be in our power to engraft upon our laws and enforce, and we might then hope that at least some portion of the New York or Philadelphia of our age, might be the New York or Philadelphia of the next.

Certainly this is a subject which should command the attention of the representative underwriters assembled here to-day from all of the commercial and manufacturing centres of the country. We can do much to shape legislation that would benefit not only our own interests, but the whole country, by securing such wise and salutary laws as might prevent the recurrence of other destructive conflagrations.

The New York Board of Fire Underwriters have already taken the initiative, and with the help of the American Institute of architects framed a law, which is now before the Legislature of New York awaiting action. Should it not be defeated by the machinations of cunning politicians, it will be a model for future legislation in other cities. I think I cannot do better service to the insurance interests, than by adding the terse and excellent suggestions of Mr. Powers, of Florence, to these remarks, premising that amid all that has appeared upon this subject, the suggestions made, are the most practical, for in a few words he covers the whole subject of Fire Proof Buildings. He says :

I have the highest respect for the ability and skill of my countrymen. Indeed they surpass, in the main, all other nations in this regard. But,

nevertheless, we have a few things to learn, and among them is how to make, not a house, but a whole city, fire-proof, for no fire-proof house can be made in the midst of highly-combustible buildings. Indeed, there is no safe that will withstand the heat of a furnace. The very walls will melt or crumble into dust—if not from inner fires, at least from outer flames. Therefore, to be fire-proof in our own buildings, our neighbor's houses must also be fire-proof; and this calls for municipal laws regulating the material and construction of buildings, and what should be required, is

1st. The abandonment of all wood floors.

2d. The floors to be made of bricks, thus sealing down all ventilation in case of fire.

3d. The stairs to be metallic, or of stone.

4th. The rafters of the roof like the joists of the floors, to be all bricked over before putting on the slates or tiles.

But, it may be asked, will not joists and rafters take fire? Yes, they will, and often do take fire here in Florence, but with a floor of bricks laid with mortar upon them, the fire department need not hurry to such a fire, hours indeed might elapse before they reached it. I have known an instance of nearly two days' burning of a joist under a fire-place, and yet the beam not burnt off, only deeply charred. The fire cannot get through the bricks, but it would soon find its way through a wood floor, and then with ventilation it would soon reach the garret. In short, the whole building would be in flames within half an hour. Brick floors do not prevent fires, but they prevent conflagrations. No city can be burnt with brick floors, nor has a house been burnt within the city of Florence during my residence here of 35 years.

LEGISLATION AND TAXATION.

One of the most important matters that should engage our attention is proper and decided action upon the position to be assumed by the Insurance Companies of this country in the matter of the unjust and discriminating legislation and taxation which almost every State seeks to impose upon the companies of other States. Heretofore our action has been spasmodic rather than otherwise, but whenever we have united heartily in opposition to an oppressive law, we have been successful in preventing its passage. And it becomes more important that we take united action, since the Court of highest appeal in the country, the United States Supreme Court, has decided that "the business of issuing insurance policies is no part of commerce," and conse-

quently not entitled to the protection and immunities secured by the laws of our country to commerce. We do not propose here to discuss the decision thus made in our highest appellate Court. We have our own opinion of its justice as well as of its wisdom; its result, however, is apparent; it remands the vast interest of insurance, so inseparably interwoven with our commercial, manufacturing and industrial interests, to the tender mercies of State legislatures, to tax, restrict and regulate it as they may see fit. The lessons of the last two years have taught at least two Commonwealths the mistake of discriminating laws, against what they are pleased to call "Foreign Capital," and that the narrow spirit which has so often governed their legislation is an enemy to the thrift and enterprise of their citizens, and yet even in the light of this experience the present sessions of many State legislatures have been used for the introduction of laws wholly unjust to insurance interests. Foremost in this class legislation have been the States of Ohio and Massachusetts, from whom we had reason to hope for more enlightened action. One of the laws passed by one branch of the Ohio Legislature was a requirement that 25 per cent. of the net earnings from premiums received within the State be invested in Ohio securities. It may not become a law, but it is an effort to prevent capital from seeking its own market for the investment of its funds, and is on a par with the deposit laws of other States.

In Massachusetts the law which is now operative, and which confines the sum written in certain arbitrary districts prescribed by the civic authorities to an amount not exceeding the assets of the Company, less its liabilities, is another instance of the folly of legislators endeavoring to control the business by legal enactment. Had the law been in force in November last, the citizens of Boston, instead of having fifty millions of insurance to fall back upon to save them

from ruin and bankruptcy, could not have been secured one-quarter of that sum. A careful computation that has been made upon the basis of the proposed fire insurance districts, shows, that it is out of the power of the combined insurance capital of *the world* to offer more than thirty millions of insurance within what is known as the burnt district of Boston on its being restored by re-building.

In many of the States the percentage of taxation levied upon premiums exceeds the profits realized by the Companies during a series of years from the business of those States. The Companies do not ask for entire exemption from taxation, but they do ask that they shall not be taxed upon what they lose and pay to the citizens of the State taxing them, for while paying a nominal tax of a small per centage on gross receipts, they are really paying an exorbitant one. Take Ohio for an example; the rate of taxation there is 3 per cent. on gross premiums. By the official returns it seems that \$4,000,000 of premiums were received in 1872 in that State by Fire Insurance Companies, the tax on which was \$120,000; the losses paid were \$2,400,000, while the commissions to agents at 15 per cent. amounted to \$600,000, thus leaving a nominal profit (*without deducting expenses*) of \$1,000,000. On this, the tax of \$120,000, is 12 per cent. on the net premiums received by the Companies.

In Michigan, the official returns show that the business of 1870 and 1871 resulted in a loss to the Companies in excess of their receipts, and that in 1872 the profits were only \$96,662. The taxes paid in each of the first named years were thus upon losses, while the taxes of 1872 amounted to \$80,000, absorbing 83 per cent. of the profits.

The first recognition which we find of an equitable principle in taxation comes in the recent law of the State of Indiana, where the tax is fixed at "\$3 on each \$100 of receipts, less the losses actually paid within the State in each year."

We trust, in view of these facts, that the time is not far distant when the disposition of the law makers, under the wise and prudent representations of this Board, may be changed, and that they will be brought to comprehend the fact that taxing insurance is taxing the frugality and industry of their own citizens and increasing the burdens of the owners of property, and, at the same time, is contrary to the spirit of the age, which, instead of seeking to place restrictions upon capital, should give it the widest recognition and encouragement. What has heretofore been done has been the result mainly of the exertions of individual Companies; how much more, then, can be obtained by united effort? We have hopeful signs from Pennsylvania, Missouri, Indiana and Michigan that a portion at least of their law-givers think it time that the policy of their States be changed in this respect. Well considered laws which confer upon Companies from neighboring States equal privileges is what we should seek to obtain, but all inequitable and discriminating legislation, I trust, through your organized efforts, will be promptly and resolutely opposed in future. This subject will, I have no doubt, be more fully discussed in the report of the standing committee on Legislation and Taxation, which I hope will be presented to you at this session.

FORM OF POLICY.

My attention has been frequently called in the last year to the many difficulties which have arisen from a lack of uniformity in the printed portion of the policies in use by the Companies of the country, presenting serious obstacles in the way to adjustment of losses. This subject has engaged the attention of this Board in previous years, and in 1868 a form of policy was reported, which was adopted as being the best adapted to the general wants of the companies. This gradually won its way into favor, and entered into general use

before the close of that year, but in 1869 it was found that some of the conditions or clauses of the original form had been modified or altered to meet individual views or to incorporate pet theories of certain companies. During the years of the inactivity of the Board many other alterations have been made, so that now grave differences exist in the policies of different Companies. The recent fire at Boston developed these differences in a marked degree, and the matter was felt to be of so much importance that it attracted the attention of the Board of Trade of that city, and under the direction of a Committee of that body, a form was drawn up, which was entitled "The Massachusetts Standard Policy," and being presented to the Legislature was favorably entertained and passed by the Senate of that State; but we have reason to believe will not be so favorably considered in the other house. Your President, with a member of the Executive Committee, had an accidental opportunity of discussing the proposed bill before the Committee, and of protesting against legislative enactment in any shape for Policies for use in States. The one referred to was chiefly remarkable for its entire neglect of the rights of companies, and for making them liable for certain other destructive agents than fire, which they were forbidden to assume by their charters. This matter of seeking to impose special contracts upon companies by the States is not new. In May, 1867, the Legislature of Connecticut prescribed a policy for use in that State, but it was found to be so unpopular a measure, that the law was repealed in the following year. The Commissioners of the Code in the State of New York, Messrs. David Dudley Field, Wm. Curtis Noyes, and Alex. W. Bradford, some years since, prepared one for adoption by the Legislature of that State, but, through the exertions of the New York Insurance Companies it was not pressed. The plea in all these cases was the diversity of forms in use, and the injustice worked to insurers by this means, and we cannot deny

that there is plausibility in the plea. It is my opinion that we owe a duty to the public in this particular, and that they have a right to demand from us uniformity in our contracts with them. No better medium exists for carrying this into effect than this Board. Cannot we then agree to sacrifice individual theories to the general good of the business, and adopt such a Form of Policy to be known as the "National Board of Fire Underwriter's Policy," as will give confidence to insurers, and full protection to the Companies.

Such a form of Policy would undoubtedly be accepted by the public without question, and would give satisfaction to all. I trust this matter will receive attention at your hands at this session.

RESULTS OF BUSINESS.

In their appropriate place it is proposed to continue the series of tables, which have proved of such value in the past two years, in showing the actual results of our business during the period between 1859 and 1872, inclusive, though it is to be regretted that, for greater accuracy, these tables do not embrace the business of any of the Companies rendered insolvent by either the calamities of Chicago or Boston, or other causes, during the year in which they ceased to do business; no provision being made by the laws of any of the States requiring such a return to be made to the Departments. Is not this a matter that deserves the attention of some one of our standing Committees, or of a Special Committee of this Board?

The results of 1872, includes the balance of the experience of Chicago, and a portion only of that of Boston, as the late period at which the adjustments in the latter city were reached, prevented their payment until the beginning of the present year. It will therefore require the results of 1873 to complete the record of the two great historic calamities of 1871-72.

TABLE No. 1.—DIVIDENDS.

Shows the average of Dividends during the past year to have been	$7\frac{81}{100}$
For New York State Companies,	$9\frac{28}{100}$
For Companies of other States,	$5\frac{49}{100}$

which, compared with the dividends of 1871, show a falling off of $1\frac{1}{8}$ for New York State Companies, and $6\frac{1}{8}$ for Companies of other States, while the aggregate for both is $4\frac{1}{8}$ less than in 1871. The better result by the Companies of New York arises from the fact that a very large number of the Companies of New York City were not affected by the Chicago Fire, and were able to make their usual dividends.

The average for the 14 years for New York State Companies is $9\frac{7}{8}$ against $9\frac{7}{8}$ for thirteen years; other State Companies, $12\frac{9}{8}$ against $12\frac{4}{8}$, and for both an average of $10\frac{5}{8}$ against $10\frac{3}{8}$ for the same time.

TABLE No. 2, OF PREMIUMS AND LOSSES.

Shows an average in the per centage of losses paid to premiums.

For New York State Companies, of	$70\frac{1}{8}$
For Companies of other States,	" $85\frac{1}{8}$
For Foreign Companies,	" $94\frac{9}{8}$

or an aggregate average of $81\frac{5}{8}$, against $85\frac{81}{100}$ last year, and giving a grand average of $64\frac{1}{8}$ for fourteen years against $61\frac{1}{8}$ for the thirteen years of our last table. While, during the past year, the receipts for premiums increased from \$36,821,051 to \$44,142,079, or \$7,321,028; in addition to which there was received by Foreign Companies in 1872, for premiums on business in this country, \$11,042,602, against \$7,980,785 last year, making the aggregate of receipts by all the Companies to have been \$55,184,681, against \$44,801,836 in 1871. Of this amount, there was paid out for losses, \$44,994,691. In addition to this

amount received for Fire premiums, there was received for inland premiums during the year by the same Companies, \$3,861,226, and paid for losses, \$2,814,977, or $72\frac{2}{3}\%$ per cent.

TABLE NO. 3, OF EXPENSES.

Shows that the per centage of expenses was $31\frac{1}{3}\%$ in 1872, against $31\frac{1}{3}\%$ in 1871. If we add to this the losses sustained by Companies on Fire risks as above, \$44,994,691, and on inland business of \$2,814,977, together \$47,809,668, and the expenses of the year, \$14,636,036, we have a total expenditure of \$62,445,704, or $110\frac{7}{10}\%$ per cent., showing a loss of \$6,320,366 by the Companies on the business of 1872.

It must be borne in mind that in the calculations which have been made of the results of 1872, no record is had of the \$6,017,000 capital, and \$9,126,000 surplus assets of Boston Companies, and \$1,300,000 New York capital, which was sunk in the Boston fire. The results of that fire I shall speak of elsewhere.

TABLE NO. 4.—PER CENTAGE OF ABILITY.

This Table shows that the ability of the Companies in 1872 to write was $\$140\frac{4}{100}$ for every dollar of loss against $\$133\frac{4}{100}$ in 1871, a slight improvement.

The result therefore of the fourteen years shows a profit amounting to \$16,470,680, arising from the business, without including suspended and insolvent Companies, or $4\frac{0}{100}\%$ per cent., per annum, upon the average capital of \$40,724,522 for same period. The dividends paid by the Companies during the same period amounted to \$60,650,549, so that but a moderate portion of the dividends resulted otherwise than by profits and interest on investments made by the Companies. Comment is unnecessary.

While upon this subject of results of business, it may not be uninteresting to call your attention to a series of results obtained in 1850 by the Companies then engaged in the Agency business, they were only ten in

number. Of these, the *Ætna* and *Hartford* Companies of *Hartford*, *Howard*, *Long Island*, and *Albany* of *N. Y.*, and *Franklin*, *Pa.*, are still alive, and except the *Long Island* and *Albany* Companies, all engaged in the Agency business. Moved by the exigencies of the business at that period, they united in forming a tariff for use at all Agencies, which was the work of Messrs. *Lewis Phillips*, *Thos. K. Brace*, *Jas. G. Bolles*, *Jos. Hoxie* and *E. C. Finn*, all now deceased, and from the report presented by *Mr. Phillips*, Chairman of the Committee, in justification of the rates then adopted, he says :

“The statistics of Fire Insurance in the United States will show that in the period of 20 years, commencing with 1811, and ending with 1830, it did not produce an average profit of 3% per annum on the capital employed.”

“The business in the 20 years, commencing with 1831 and ending with 1850, exhibits a very discouraging result. The whole of the premiums received for the insurance of property in the United States, and in the provinces of British North America during this period, and many millions of capital were required to meet the losses. Many of the Stock Companies, and nearly all of the Mutual Companies, were ruined.”

“The whole of the premiums received in Western New York, and in the North Western and South Western States in the last ten years have not paid the losses by 25 per cent.”

This was written twenty-three years ago, and yet it is nearly as true of the present day as it was of that period. The accuracy of the statements referred to I can vouch for personally, having a feeling recollection of days and nights spent in the compilation of the tables of results in the days of apprenticeship at the business.

BOSTON FIRE.

From the official publications before me, I am enabled to give the actual loss sustained by this fire.

The value of the property destroyed was estimated by the Commissioners appointed to enquire into the causes of said fire to be \$70,000,000. Of this amount, there was covered by insurance

In Massachusetts Companies,	. \$35,411,104
By Companies of other States,	. 15,818,520
By Foreign Companies,	. 4,864,458

Total insurance, \$56,094,082
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There has or will be paid in full of this amount :

By Companies of other States and Foreign Companies, \$20,495,343
By Massachusetts Companies,	. 15,180,000
By Companies of other States,	
not paying in full, 1,200,000

Total,	. \$36,875,343
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It is a remarkable fact that the merchants and property holders of Boston, who will receive on their gross insurance $65\frac{73}{100}$ per cent., realized within \$2,500,000 of the whole amount of the sum received by the people of Chicago, though, according to the estimates in both cases, the loss in Chicago was \$48,000,000 in excess of that of Boston.

Of the Massachusetts Stock Companies doing business in November last, only eleven survived the catastrophe, and of the fifteen Mutual Companies doing business in Boston, four were rendered insolvent by the fire.

I find by examination that on the 1st January, 1871, there were 162 Companies doing business in the State of New York, having a capital of \$52,732,333. Of this number 64 had ceased to exist on the 31st of December, 1872, having capital to the amount of \$22,150,500. To this is to be added the large number of Western and

Massachusetts Companies not doing business in that State, and the new Companies that organized in 1871 and 1872, and failed in 1872, and whose capitals would aggregate about \$3,000,000.

CAUSES OF FIRES.

I cannot refrain from a word upon this important subject, as the discussion already given to proper laws for the construction of buildings naturally suggests other topics.

The results which have followed the investigations of scientific men, working in the interests of science, combined with the practical experience of underwriters, have solved the problem of many of the causes of fires which in former years had seemed so mysterious. A better example cannot be had than in the recent series of experiments made by Dr. McAdam, of London, in regard to fires in flour mills, which were shown to result from the explosive and dangerous nature of flour dust and smut, and as both evolve a gas, their great liability to either spontaneous combustion in certain states of the atmosphere within the mill, or from sparks resulting from friction of the stones, was thoroughly demonstrated. As the same kind of dust gathers largely in the great grain elevators of our Western country, it gives a solution to many of the mysterious fires that have caused us no little annoyance in times past.

There is a necessity also of guarding by proper regulations the use of the products of petroleum, which have now passed into use in so many classes of manufacturing risks throughout the entire length and breadth of the land in one shape or another. A recent estimate showed no less than forty classes of manufacturing risks using it in their operations, and in the greater number of the cases without the knowledge of underwriters, and rendering the risks much less desirable subjects for insurance. The large number of patent

lighting machines which are finding their way into so many buildings in towns and cities, and as a matter of course, to be used by those not informed of their danger, also demands attention. Attention has also recently been called in one of the English Magazines, to the fact that both stone and brick are found to be efficient conductors of heat under certain circumstances, and to these may be added zinc and soapstone; the fact is that if time enough is allowed, brick, stone or soapstone can be made red-hot, and will retain heat long after other substances like iron have cooled. In one case, a block of granite retained its heat so that the hand could not be placed upon it for more than twelve hours after the fire was removed, and after much water had been poured upon it.

Full and thorough reports upon these, as well as other kindred subjects, should be presented, and our members be put in possession of the facts, and thus warned as to dangers that heretofore they have not even suspected.

STATISTICS OF BUSINESS.

From the earliest formation of the Board we have had a Standing Committee on Statistics, but I am not aware that we have ever had a report from them on this important branch of our business, and although it has frequently been the subject of discussion at our annual gatherings, no practical result has yet followed from the debate. I am aware that many Companies have been pursuing the system of classification of risks and losses in their own business for a series of years, and have gathered much that is valuable, but the want of the business is an aggregated experience upon which to form a basis of rates upon any given hazard, similar to that which has been used with such admirable success by certain purely mutual associations who make

one or two kinds of mill property a specialty, and which has enabled Life Companies to calculate with such certainty the average expectancy of life in the human race, and with the suitable additions thereto for estimated expenses and profits has produced such marvellous results. Fire insurance in no wise differs from Life Insurance in the certainty with which the average mortality of certain classes of hazard can be calculated, the extraordinary calamities of 1871 and 1872, standing merely in the same light as epidemical years do to human life. The first thing we must get rid of is the prevalent idea, even among some experienced managers, that the business is one of mere chance; it is so, so long as we have no basis by which to affix rates, had we one we should have fewer adventurers in the business, and underwriters would be educated for their profession in as practical a way as if seeking advancement in either of the professions of law or medicine. The representative men of to-day in the business of insurance have become so, not by chance, but by diligent and patient study of the various phenomena presented in their business, and their ability and sagacity to profit by them. We have in our National Board organization, and in the force of skilled clerks at our command, the opportunity of inaugurating the system. If we begin by taking one or two prominent classes of special hazards, and pursuing them, we lay the foundation for a permanent "Bureau of Statistics," which will amply repay both expense and labor. All communications coming thus to the Board, would, as a matter of course, be of a confidential character, and coming to a body which is not interested in any particular company, would do away with many of the objections heretofore made to furnishing for general use the private statistics of individual companies. The New York Board of Fire Underwriters have for several years, under the direction of their

Insurance Patrol Committee, been gathering the statistics of all the fires upon all classes of hazards in that city. This is an admirable basis to work upon in a general way. I cannot but think that the permanent usefulness of the National Board would be promoted by it. Let us then make a beginning at this useful branch of our work, and show that the mission of the Board is of a higher character than simply the fixing of rates of premium.

CONCLUDING REMARKS.

Though we are encouraged by the results that have followed our plans, none of us can doubt that it will require many years of difficult and trying labor to restore the business of fire insurance to the financial position it occupied prior to the summer of 1871. The general depletion of reserved funds which the two great fires have caused, cannot so readily be overcome—the great necessity, I might say greater necessity, for these reserves still exists ; and therefore the ingenuity of all has been taxed to provide a plan that, while it should secure to the stockholder proper returns for the great risk of his capital, should also inspire the policy-holder with confidence in the stability and ability of the company from whom he seeks protection. Among the many plans that have been suggested, I have seen none that seems to combine the two points I have mentioned better than that put forth with such modesty by the newly-appointed superintendent of the New York department. It has, I learn, been embodied in a bill as an amendment to the General Insurance Law, and will, without doubt, be passed by the Legislature of that State. It has the advantage of being entirely voluntary, the Companies being at liberty to try the experiment or not, as they shall decide for themselves. I give its leading points in his own words and with his own arguments :

"The occurrence of two such disastrous conflagrations, within so short a period, as at Chicago and Boston, turned the attention of thoughtful underwriters to this question: Is there not some feasible plan whereby the insured can be made safe, and companies can be made strong? This became almost a vital question to insurance interests. Capital would not insure unless it could be made profitable; and the insured would cease to pay for policies that gave no security. It was observed that while companies with alacrity made up their impairment after Chicago, they found it by no means "a labor of love" after Boston, to do so. A stringency in the money market increased the difficulty, it is true, but underlying all was the very natural and very keen sensitiveness of capital, after two such disastrous experiences. And yet but one link unites policy-holder and stockholder—self-interest. The policy-holder will pay high premiums for safety. The stockholder will furnish any amount of capital for high premiums. Safety to one is success to the other. Whatever plan, then, will strengthen a company in its capacity to meet sudden and enormous losses, that plan it is wisest for the company to adopt; for with the policy-holder's security comes the stockholder's profit. The importance of securing an extra insurance reserve fund is always confessed, and stockholders are often urged to set aside a portion of their profits to create such a fund. The idea is a good one, but the practical difficulty with it is, the very natural desire of the stockholder to have the present benefit of his dividend. It is useless to urge the average insurance stockholder to accept 7 per cent. upon his money, when it has earned him say, 21 per cent. Especially is this so, if he has once or twice passed through the experience of accepting the 7, leaving the 14 with the company to form an extra insurance reserve, and suddenly found not only his 14 per cent. gone, but his capital with it. His very natural thought is, if I had taken my 14 per cent., I should at least have been that better off. Among the plans suggested, let the following be considered. Suppose the stockholder be assured, in some form, that if he will leave that 14 per cent. with the company, every year, to help to make up an extra insurance reserve, till it shall equal or double his stock, he shall be guaranteed that, say two-fifths of this reserved fund shall not be subject to destruction by any single fire. Does not the stockholder perceive herein numerous inducements for setting aside a portion of his dividend, beyond any which he now has? A moment's reflection will suggest many to his mind. They need not be here specified. And does not the policy-holder, at the same time, get more security than he would otherwise have! May there not be herein elements of success to stockholders, and at the same time elements of safety to policy-holders? Certainly, after a few years, with ordinary fortune and an honest administration, this would seem to be so. If now, a law should be passed, properly guarded, practically covering this ground, thus securing to the stockholder such a guarantee, and at the same time properly protecting the policy-holder, might it not be a wise one? In the absence of any better plan, might it not be safe to try this?"

I cannot doubt that by some of us this law will be hailed with satisfaction, and I would commend it to the consideration of such of the constituents of the National Board as are not chartered under the laws of the State referred to, for imitation in their respective localities.

From what I have said, and the suggestions I have made, you cannot but conclude that I anticipate length of days and prosperity as the future of our Board. Its mission has but begun. We have the whole continent as our field, for already do the operations of the Board extend from ocean to ocean ; we have also the organization, with faithful and devoted agents, to carry into effective operation the plans we perfect. It only becomes us to use this great power judiciously, and to lay the foundations of our prosperity broadly and deeply. Let them be founded on principle and justice, and we shall have no reason to regret the time spent or expense incurred in making the National Board of Fire Underwriters an institution in which its members may justly take pride as the true conservator of sound principles and practice in Fire underwriting.

HENRY A. OAKLEY,
President.

TABLE I.

1 INSURANCE COMPANIES OF THE STATE OF NEW YORK.

YEAR.	CAPITAL.	DIVIDENDS.	PERCENTAGE.
1859	20,007,000	2,851,722 74	14 25
1860	20,482,860	2,469,090 05	12 05
1861	20,282,860	2,111,788 76	10 41
1862	20,432,860	2,043,898 01	10 00
1863	23,632,860	2,024,742 51	8 56
1864	28,807,070	2,488,370 94	8 62
1865	31,557,010	2,621,284 30	8 30
1866	30,649,660	2,073,375 79	6 76
1867	28,861,232	2,272,237 96	7 87
1868	28,629,474	2,753,723 64	9 60
1869	28,611,232	3,157,359 09	11 03
1870	29,761,232	3,441,904 07	11 56
1871	22,907,020	2,485,890 30	10 40
1872	24,407,010	2,265,687 79	9 28
AGGREGATE.	859,029,380	35,056,075 79	9 76

2 INSURANCE COMPANIES OF OTHER STATES.

YEAR.	CAPITAL.	DIVIDENDS.	PERCENTAGE.
1859	12,351,315	1,743,628 00	14 11
1860	9,515,900	1,867,051 92	14 36
1861	9,101,400	1,138,961 00	12 51
1862	9,401,400	1,280,668 00	13 62
1863	9,613,900	1,542,589 00	16 04
1864	12,822,875	1,658,003 48	12 15
1865	12,725,740	1,995,322 81	15 67
1866	13,760,690	1,295,874 91	9 41
1867	16,750,000	1,502,089 00	8 96
1868	20,701,720	2,298,072 74	11 10
1869	22,507,370	3,095,420 30	13 75
1870	22,971,101	3,068,094 61	13 35
1871	20,850,000	2,587,588 44	12 41
1872	18,770,506	1,031,111 17	5 49
AGGREGATE.	211,843,947	25,604,470,38	12 08

3 AGGREGATE.

YEAR.	CAPITAL.	DIVIDENDS.	PERCENTAGE.
1859	32,858,315	4,595,350 74	14 19
1860	29,998,760	3,836,141 97	12 78
1861	29,384,260	3,250,749 76	10 06
1862	29,834,260	3,324,566 01	11 11
1863	33,246,760	3,567,331 51	10 72
1864	41,629,945	4,141,374 42	9 94
1865	44,282,750	4,616,607 11	10 42
1866	44,410,350	3,869,250 70	7 81
1867	45,611,232	3,774,326 96	8 27
1868	49,331,194	5,051,796 38	10 24
1869	51,118,602	6,252,779 39	12 23
1870	52,732,333	6,509,998 68	12 34
1871	44,757,020	5,073,473 74	11 33
1872	43,177,516	3,296,798 96	7 63
AGGREGATE.	570,873,327	60,650,546 17	10 51

TABLE II.

1 INSURANCE COMPANIES OF THE STATE OF NEW YORK.

YEAR.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	PERCENTAGE.
1859	6,299,688 16	2,681,986 08	42 57
1860	6,710,412 27	3,578,934 15	53 33
1861	6,161,507 88	3,274,115 21	53 14
1862	6,866,355 69	4,227,157 44	61 56
1863	8,987,815 81	3,349,945 22	37 27
1864	13,325,783 32	7,195,271 84	54 00
1865	17,052,086 97	12,046,793 77	70 65
1866	20,786,847 47	15,812,751 13	73 67
1867	21,012,050 18	12,229,492 80	58 20
1868	20,686,198 13	10,188,294 62	49 26
1869	20,537,288 44	9,688,747 78	47 15
1870	20,064,153 14	11,119,308 47	55 41
1871	17,157,055 06	13,261,604 63	77 07
1872	20,385,074 62	14,809,564 19	70 14
AGGREGATE.	206,081,816 14	122,458,967 33	59 43

2 INSURANCE COMPANIES OF OTHER STATES.

YEAR.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	PERCENTAGE.
1859	8,113,770 40	5,349,261 23	65 92
1860	5,156,136 18	3,414,696 75	66 23
1861	4,365,819 88	2,975,574 58	68 16
1862	4,442,063 30	2,829,574 13	63 70
1863	5,032,342 32	2,307,030 42	45 84
1864	6,815,369 36	4,161,353 13	61 06
1865	8,367,502 58	5,217,824 56	62 36
1866	11,494,557 29	8,600,994 74	74 83
1867	15,150,088 27	8,588,777 07	56 69
1868	16,709,542 12	9,095,684 49	54 43
1869	18,816,290 13	10,370,594 02	55 11
1870	17,173,468 59	10,750,132 28	62 59
1871	19,663,996 76	13,335,669 55	91 58
1872	23,757,005 00	20,302,837 57	85 46
AGGREGATE.	165,057,952 18	112,300,004 92	67 42

3 AGGREGATE.

YEAR.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	PERCENTAGE.
1859	14,413,458 56	8,031,247 41	55 72
1860	11,866,548 45	6,998,630 90	58 93
1861	10,527,327 76	6,249,689 79	59 36
1862	11,308,418 99	7,056,731 57	62 40
1863	14,019,058 13	5,656,975 64	40 35
1864	20,141,152 68	11,356,624 97	56 38
1865	25,419,589 55	17,264,618 33	67 91
1866	32,281,404 76	23,913,745 87	74 07
1867	36,162,138 45	20,818,269 87	57 56
1868	37,895,740 25	19,283,979 11	51 56
1869	39,353,578 57	20,054,341 80	50 95
1870	37,237,621 73	21,869,440 75	58 72
1871	36,821,051 82	31,597,274 28	85 81
1872	44,142,079 62	34,612,401 76	78 41
AGGREGATE	371,089,769 32	234,753,972 05	63 26

TABLE III.

1. INSURANCE COMPANIES OF THE STATE OF NEW YORK

YEAR.	NET CASH PREMIUMS RECEIVED INCLUDING INLAND.	EXPEND'S, LESS DIVID'S, LOSSES AND AMOUNT PAID IN INTEREST ON SCRIP AND REDEMPTION.	PERCENTAGE.
1859	6,421,342 54	2,321,645 30	36 15
1860	7,261,595 52	2,401,741 20	33 07
1861	6,827,736 46	2,394,286 96	35 06
1862	7,742,190 88	2,450,074 66	31 60
1863	10,181,030 42	3,195,594 58	31 88
1864	15,618,603 82	4,955,750 45	31 72
1865	19,620,068 09	6,624,504 98	33 76
1866	25,122,152 86	7,945,067 30	31 62
1867	24,095,970 04	7,962,084 45	33 04
1868	22,852,317 62	7,965,124 72	34 85
1869	22,313,250 19	8,173,085 45	36 62
1870	21,504,931 62	8,596,517 22	39 97
1871	17,634,934 71	6,177,181 00	35 04
1872	20,912,781 00	7,177,310 00	34 32
AGGREGATE.	228,108,906 54	78,339,969 06	34 34

2. INSURANCE COMPANIES OF OTHER STATES.

YEAR.	NET CASH PREMIUMS RECEIVED INCLUDING INLAND.	EXPEND'S, LESS DIVID'S, LOSSES AND AMOUNT PAID IN INTEREST ON SCRIP AND REDEMPTION.	PERCENTAGE.
1859	8,113,770 40	1,682,912 09	20 74
1860	6,489,166 97	1,339,582 66	20 64
1861	5,572,908 63	1,090,306 77	19 56
1862	5,662,406 74	1,119,831 32	19 77
1863	6,233,193 52	1,305,255 92	20 94
1864	8,224,918 07	1,906,039 80	23 17
1865	9,899,024 19	2,778,629 30	27 96
1866	13,745,339 41	3,846,302 36	27 98
1867	18,140,089 34	5,162,207 60	28 45
1868	20,171,630 19	5,909,686 27	29 20
1869	22,710,895 32	6,751,280 71	29 72
1870	21,088,154 06	6,531,773 44	30 97
1871	23,112,353 90	6,645,693 46	28 75
1872	27,090,523	7,458,726 00	28 42
AGGREGATE.	196,254,375 28	53,769,447 14	27 39

3. AGGREGATE.

YEAR.	NET CASH PREMIUMS RECEIVED INCLUDING INLAND.	EXPEND'S, LESS DIVID'S, LOSSES AND AMOUNT PAID IN INTEREST ON SCRIP AND REDEMPTION.	PERCENTAGE.
1859	14,535,112 94	4,004,557 39	27 55
1860	13,750,762 49	3,741,323 86	27 20
1861	12,400,645 09	3,484,593 73	28 10
1862	13,404,597 62	3,569,905 98	26 63
1863	16,414,223 94	4,500,850 50	27 42
1864	23,843,521 89	6,861,790 25	28 77
1865	29,519,092 28	9,403,134 28	31 85
1866	38,867,492 27	11,791,369 66	30 33
1867	42,236,059 38	13,124,292 14	31 07
1868	43,023,947 81	13,874,810 99	32 24
1869	45,024,145 51	14,924,366 16	33 14
1870	42,593,085 68	15,128,290 66	35 51
1871	40,747,288 61	12,82 ,874 46	31 42
1872	48,003,304 00	14,636,036 00	30 48
AGGREGATE.	424,363,279 51	131,868,196 06	31 07

1. INSURANCE COMPANIES OF STATE OF NEW YORK.

YEAR	FIRE RISKS WRITTEN.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	Percentage of Fire Losses to P'm's	Percentage of Fire Losses to F. Risks wr'n	Am't of Fire Risks wr'n to \$1.00 loss.	Average Rate of Prem's on Fire Ri s.
1860	1,049,551,594	6,710,412 27	3,578,934 15	53.33	.3410	293.26	.6392
1861	1,027,112,596	6,161,507 88	3,274,115 21	53.14	.3188	313.71	.5999
1862	1,200,721,130	6,866,355 69	4,227,157 44	61.56	.3521	284.05	.5738
1863	1,560,687,189	8,987,815 81	3,349,945 22	37.27	.2146	465.88	.5805
1864	2,342,666,111	13,325,783 32	7,195,271 84	54.00	.3071	325.58	.5688
1865	2,510,595,187	17,052,086 97	12,046,793 77	70 65	.4799	208.40	.6792
1866	2,753,493,107	20,786,847 47	15,312,751 13	73.67	.5561	179.82	.7549
1867	2,503,847,496	21,012,050 18	12,229,492 80	58.20	.4884	204.73	.8399
1868	2,643,720,096	20,686,198 13	10,188,294 62	49.25	.3853	259.48	.7824
1869	2,714,198,776	20,537,288 44	9,683,747 78	47.15	.3567	280.28	.7566
1870	2,813,983,769	20,064,153 14	11,119,308 47	55.41	.3951	253.07	.7030
1871	2,506,557,045	17,157,055 06	13,261,604 63	77.07	.5427	184.17	.7088
1872	2,922,114,289	20,385,074 62	14,304,564 19	70.14	.4950	204.20	.7035
	28,551,248,335	206,031,816 14	122,458,967 33	59.43	.4288	233.15	.7568

2. INSURANCE COMPANIES OF OTHER STATES.

YEAR	FIRE RISKS WRITTEN.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	Percentage of Fire Losses to P'm's.	Percentage of Fire Losses to F. Risks wr'n	Am't of Fire Risks wr'n to \$1.00 loss.	Average Rate of Prem's on Fire Risks.
1860	567,887,673	5,156,136 18	3,414,696 75	66.23	.6013	166.81	.9079
1861	502,906,639	4,365,819 88	2,975,574 58	68.16	.5917	169.01	.8631
1862	529,267,441	4,442,063 30	2,829,574 13	63.70	.5346	187.04	.8393
1863	589,513,659	5,032,342 32	2,307,030 42	45.84	.3913	255 53	.8536
1864	823,866,793	6,815,369 36	4,161,353 13	61.06	.5051	197.98	.8272
1865	917,510,037	8,367,502 58	5,217,824 56	62.36	.5687	175.84	.9120
1866	1,176,555,214	11,494,557 29	8,600,994 74	74.83	.7310	136.79	.9770
1867	1,308,447,411	15,150,088 27	8,588,777 07	56.69	.6564	152.34	1.1579
1868	1,525,775,378	16,709,542 12	9,095,684 49	54.43	.5961	167.74	1.0051
1869	1,740,609,887	18,816,290 13	10,370,594 02	55.11	.5958	167.84	1.0810
1870	1,695,633,560	17,173,468 59	10,750,132 28	62.59	.6339	157.73	1.0128
1871	1,653,808,930	19,663,996 76	18,335,669 65	91.58	1.0228	97.76	1.1059
1872	1,945,804,854	23,757,005 00	20,302,837 57	85.46	1.0366	95.83	1.2352
	14,977,587,476	165,057,952 18	112,300,004 72	67.42	.7491	13.337	1.2225

3. AGGREGATE.

YEAR	FIRE RISKS WRITTEN.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	Percentage of Fire Losses to P'm's.	Percentage of Fire Losses to F. Risks wr'n	Am't of Fire Risks wr'n to \$1.00 Loss.	Average Rate of Prem's on Fire Risks
1860	1,617,439,267	11,866,548 45	6,993,630 90	58.93	.4323	231.27	.7336
1861	1,530,019,235	10,527,327 76	6,249,689 79	59.36	.4084	244.81	.6880
1862	1,729,988,571	11,808,418 99	7,056,731 57	62.40	.4079	245.15	.6536
1863	2,150,200,798	14,019,658 13	5,656,975 64	40.35	.2630	380.09	.6520
1864	3,166,532,904	20,141,152 68	11,356,624 97	56.38	.3586	278.82	.6360
1865	3,428,105,224	25,419,589 55	17,264,618 33	67.91	.5086	198.56	.7415
1866	3,930,048,321	32,381,404 76	23,913,745 87	74.07	.6084	164.34	.8213
1867	3,812,294,907	36,162,138 45	20,818,269 87	57.56	.5460	183.12	.9485
1868	4,169,495,474	37,895,740 25	19,283,979 11	51.56	.4625	216.21	.8968
1869	4,454,808,663	39,353,578 57	20,054,341 80	50.95	.4501	222.13	.8833
1870	4,509,617,329	37,237,621 73	21,869,440 75	58.72	.4849	206.20	.8257
1871	4,282,942,976	36,821,051 82	31,597,274 28	85.18	.7492	133.46	.8795
1872	4,867,919,144	44,142,079 62	34,612,401 76	78.41	.7120	140.64	.9186
	43,528,835,813	371,089,769 32	234,758,972 05	63.26	.5622	185.43	.8522

ADDRESS OF
Henry A. Oakley, President
OF THE
NATIONAL BOARD OF FIRE UNDERWRITERS
OF THE UNITED STATES,
AT THE
Eighth Annual Meeting,
— HELD
IN THE CITY OF NEW YORK,
APRIL 22d, 1874.

New York :

CHARLES H. CLAYTON & CO. PRINTERS AND STATIONERS,
157 & 159 Pearl Street.

1874.

ADDRESS.

*Gentlemen of the National Board
of Fire Underwriters :*

Another period has arrived when it becomes my duty to lay before you a record of the acts of this Board. I can congratulate you on the result. It shows greater unity in our action, material progress in organization, and excellent financial results to our members. The further the Board progresses in the task of guiding and shaping the business of Fire Insurance in this country, the more important is the work found, and more extensive the field to be governed by its operations. One year ago, I congratulated you on work well begun, to-day, I ask your congratulations for thorough organization in numerous fields of labor, and for a careful sifting of many of the problems which the peculiar nature of our business have presented for action. No important member has been lost to our organization during the past year, while we have received accessions from among the ablest and best of the new comers into the field of Fire Insurance in this country.

The necessity for the Board was never greater than at present, the return of partial prosperity to the companies always brings with it greater trials than even the sternest adversity. The results that have been secured could only have been obtained by unity of action, years of separate effort by the most intelligent of our underwriters could not have secured them, and I know

I echo the sentiment of most of those I see around me, when I say that, without this organization, the successful prosecution of the business of Fire Insurance is impossible. It has been said by some who are not our well-wishers, that in this Board, the smaller companies are overshadowed by the larger ones. Never was there a greater error. In all the acts of the Board, the only thing taken into account is the loyalty shown to the Board, and I can personally vouch for the thorough impartiality that has characterized its management, dealing out exact justice to large and small without fear or favor. It is quite a remarkable fact, which appears in the official reports of companies to various State Insurance Departments, that during the past year, while the receipts of every large Agency Company, native or foreign, with but one or two exceptions, have sensibly diminished, the smaller companies almost as invariably show a gratifying increase in their receipts; now, this is owing in a measure to the conservative practice of these larger agency companies, who, so far from seeking to monopolize the business, have gladly put it in the power of their smaller brethren to build up a business, by unloading themselves of some what of the heavy lines, which experience and a more thorough understanding of the business have taught them it was unwise to carry.

That the year has been one of laborious effort, the records of your Board and the full reports of your Committees and Agents will show. Those who are familiar with the details of a large business can well understand how close has been the attention which has been paid to the manifold matters which from time to time have engrossed the attention of the officers. To some of these I shall presently ask your attention as illustrating clearly certain phases of the work of the Board. I cannot refrain from saying here, that to our friend and co-worker, your General Agent, Thomas H. Montgomery, we owe much for the wise direction he has

given to the general affairs of the Board. His duties, always responsible, arduous and largely confidential, have been discharged with zeal, promptness, untiring industry and rare ability. You all appreciate his efforts and I am sure heartily thank him for what he has so well done.'

The inauguration of the publication of a monthly "Bulletin," by the Executive Committee, has enabled us to place in the hands of members much valuable information, not only upon the doings of the Committee, but upon matters of great importance to the general interests. It will be continued, unless you otherwise direct, and cannot fail to be of use to all in the conduct of their business.

Let me ask your attention to a few topics of importance, which it seems proper should be considered by you at this time. We will first look at the

RESULTS OF BUSINESS.

It seemed to have been generally conceded by Insurance managers at the close of 1873, that the year had been highly remunerative in its results; the latter part of the year, during which the heaviest business is transacted, having been exceptionally free from disastrous losses. In compiling the tables of experience, which have been continued as in former years (and now embrace the results of fifteen consecutive years), I was surprised to find that this impression was not borne out by the official figures, which, happily by the promptness of the New York Insurance Department, are at our disposal. The returns given in the tables embrace the business of 187 companies, a larger number than has ever before been embraced in them. I have also added a separate table giving the results of the business done in this country by companies from foreign governments, which can hereafter be continued from year to year. The aggregated results are made up

from the combined business of both classes of companies.

TABLE No. 1.—DIVIDENDS.

The dividends of the year 1873, have averaged upon the capital employed in the business, . . . $8\frac{35}{100}$

Divided as follows :

For New York State Companies, . . . $8\frac{46}{100}$

For Companies of other States, . . . $8\frac{24}{100}$

As compared with 1872, it shows a gain in the aggregate for the year of $\frac{73}{100}$ per cent. New York State Companies, however, lose $\frac{88}{100}$ per cent., while Companies of other States gain $2\frac{85}{100}$ per cent. for the same period. The aggregate of the 15 years, from 1859 to 1873 inclusive, shows an average of $10\frac{44}{100}$ per cent. against $10\frac{51}{100}$ per cent. as the average of 14 years, a loss of $\frac{7}{100}$ per cent. The whole amount paid out to the stockholders of companies during the period referred to, between 1859 and 1874, reached the sum of \$64,865,261.23. Had the average capital been invested for the same period at current rate of interest, it would have produced \$43,484,251.65, leaving the balance of \$21,375,010.58, as the product of the business.

TABLE No. 2.—PREMIUMS AND LOSSES.

The percentage of losses paid to premiums received in 1873, was :

For New York State Companies, . . . $58\frac{44}{100}$

For Companies of other States, . . . $60\frac{13}{100}$

For Foreign Companies, . . . $63\frac{42}{100}$

The aggregate average of American Companies for the year was $59\frac{38}{100}$ against $78\frac{41}{100}$ for 1872, while for the fifteen years we have an average of $62\frac{79}{100}$ against $63\frac{36}{100}$ for the fourteen years. The aggregate average of loss for the year, including Foreign Companies, was $60\frac{06}{100}$.

There was received for premiums in 1873 :

By American Companies, . . . \$52,014,724.79

By Foreign Companies, . . . 10,803,355.29

In all, \$62,818,070.08

Or an increase of \$7,477,863.83, as compared with 1872.

Of this amount there was paid out for losses during the year, \$37,731,634.48.

In addition to the above amount received for Fire premiums, there was received by the same Companies for inland and marine insurance the sum of \$4,390,771-.44, and paid out for losses \$3,805,266.42, an average of $86\frac{66}{100}$ per cent. of such receipts. The total receipts for premiums were \$56,405,496.23, the total losses paid \$41,536,900.90.

TABLE NO. 3.—EXPENSES.

The percentage of expenses upon the premiums received in 1873 was, including those of Foreign Companies, $29\frac{24}{100}$, as against $30\frac{48}{100}$ in 1872.

Amount paid for losses on fire risks, as stated in the previous table, was,	\$37,731,634.48
For inland and marine losses,	3,805,266.42
For expenses,	20,123,536.01

Total payments,	\$61,660,436.91
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Or 90 per cent. upon the receipts of the Companies for 1873, leaving an excess of receipts over expenditure of \$5,648,404.61, if to this we add amount received for interest on investments \$5,303,258.17, and deduct amount paid out for dividends \$4,205,715.90, we have a net gain in assets over 1873 of \$6,646,956.88. As the business of 1872 showed a net loss of \$6,320,366, we have as the product of the year that the Companies are about six-tenths of one per cent. better off than on the 1st of January, 1872. The two years of 1872 and 1873 averaged about legal interest on the capital employed, and this, too, on a large advance of receipts over previous years. It is not difficult from these figures to see that without the help of this organization, there would not have been many solvent companies on the 1st of January, 1874.

TABLE NO. 4.—PER CENTAGE OF ABILITY.

This Table shows that the per centage of ability of American Companies to write was increased from 140 $\frac{4}{100}$ to 165 $\frac{8}{100}$, a small gain—the maximum reached by the Companies in the palmy days of the National Board in 1869, was 280 $\frac{8}{100}$. At present rate of progress it will be many years before we can record a return to this excellent position. The general depression which characterizes the commercial and manufacturing interests at this period, does not warrant us in anticipating for our Companies as large receipts for the year we have just entered upon as those of the past two years. While the reported losses of the first three months of 1874, show in comparison with the same months of 1873, as follows :

Jan., Feb., March, 1873,	. .	\$13,642,380
Jan., Feb., March, 1874,	. .	30,695,355

Increase in 1874,	. .	\$17,052,975
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or more than double. These figures can be relied upon as giving a close approximation to the actual loss of property by fire, as they were for both years derived from the same sources. A stronger argument for the continuance of this organization in its strictest integrity we could not desire.

SUPERVISING AND SPECIAL AGENTS.

The Board during the past year have fully inaugurated the system of supervision of local boards by their own Supervising Agents, who, acting directly under the control of the Executive Committee, have been of great service, by the faithful discharge of the responsible duties committed to them.

Mr. J. A. Hall, who occupied the position of Western Special Agent in April, 1873, left us soon after the annual meeting to enter the service of a National Board Company, he was succeeded by Mr. Jacob Peetrey, who occupied the same field as Supervising Agent,

until recently, when he was transferred to the department of the Middle and Southern States, while Mr. W. S. Davis has filled the Eastern Department, comprising New England and Middle States, until his recent election as an officer of a leading Agency Company. His place will soon be filled by a new appointment, whose field will be confined to "New England." Mr. Robert J. Smith now occupies the Western field as Supervising Agent. I beg to refer you to the reports of these gentlemen, which will be presented to you by the General Agent, for a record of industrious labor rarely excelled. In the progress of the operations of the Board, we have felt that it was most important we should have such a force of Supervising Agents wholly connected with the Board, as would enable us to carry out promptly any of its orders. More are necessary in the growing work of our organization, and it is hoped that in time we shall thus be able to relieve the Special Agents of companies from the many demands which we have been obliged to make upon their time. The Board also requires one or two experienced raters to examine and adjust the constant changes which are taking place all over the land in the special and other hazards. Much has been done the past year in this direction, but much remains to be done. The expense involved would be amply compensated for, in the value of the service rendered to the common interests. During the past year our Supervising Agents, (under the special resolutions passed at the last annual meeting,) with authority from your officers, examined the books of the Agents in twelve localities, and in all of these cases with admirable results, discharging their very confidential duties with tact and strict impartiality, and without giving offence to any but the wilful violators of the rules of the Board, thus abundantly confirming the wisdom of your action, and justifying the confidence you showed by conferring this delicate power upon

the Executive Committee. No part of the operations of the Board has tended so fully to prove its power and efficiency in removing evils complained of. By subsequent action of the Executive Committee, the Supervising Agents are also detailed to attend all trials of Agents complained of for violations of rules and rates, and serve either as judge advocates or as presidents at the trials, thus securing justice to both the Agent and the Board.

I recommend an enlargement of the number of Supervising Agents to at least four, and the appointment of two skilled persons to act as raters in connection with local boards.

LOCAL BOARDS AND RATES.

The task of organizing and re-organizing the local boards of the country, may be said to have been completed during the past year, and our records show that we have 982 Local Boards in operation, with a membership of 8,212 agents. As compared with last year, this shows an increase of 172 Boards and 389 Agents. In all of these places tariffs are in operation.

The careful supervision given to a large majority of these boards by the Supervising Agents of the National Board, has had a tendency to unite them more firmly together, and except in a few places where the Agents have been led away by an over anxiety for business, the boards are stronger and operating with more efficiency than they were last year. During the year we have to report the trial, conviction and punishment, by removal from office, suspension, and fine, of 26 agents, a much smaller number than we had any right to expect from so large a body of men. Human nature we know is weak, and non-board agencies, without restrictions as to rules, rates or practices, have certainly been a sore temptation to some, but it is creditable in the highest degree to the agents that so few have been led away from their rightful allegiance. It goes to

prove that as the agents, (in the main, an intelligent body of men) understand the principles and policy of the National Board, they have more faith in the permanence of business in Companies who are members of an organization whose whole object is conservative underwriting and solidity of capital and assets, than in those who seeking a temporary popularity from the public by underbidding and offers of greater remuneration for business procured, cannot fail, if experience is of any value, in being numbered ere many years with those whose memory has become a thing of the past.

A year and more having elapsed since the adoption by the Board of the tariff of November, 1872, which at the time of our last meeting had been but just fairly inaugurated, it was felt that a revision of the same could probably be made with advantage to the general interests, as the workings of the year had shown that in certain sections of the country there were inconsistencies in the tariff to be corrected. Accordingly, a general revision of the rates of all places of less than 40,000 population was had in seventeen States and corrections agreed upon, which remedied the irregularities that had been complained of. These rates went into effect on the 1st of the present month, and have been cordially received by the local boards throughout the States covered by them. It is the purpose of the Executive Committee to have all of the larger places carefully visited by the Special and Supervising Agents of the Board, and to correct such inconsistencies in their ratings as have been found to exist. It has been the aim of the Board at all times to be in strict harmony with local boards everywhere, that it has not always been so is the fault of circumstances not entirely within their control at the time, and it has required no little exercise of tact, skill and wisdom, as well as forbearance and impartiality on the part of your officers, to harmonize the various conflicting interests and opinions which they have been obliged to en-

counter. That we have been measurably successful is owing to the hearty support rendered by both Companies and their Special and Local Agents. We cannot, with so large a constituency and so many interests, expect to escape these annoyances, but they are to be borne with equanimity, and the exercise of patience and firmness has generally been found a sure cure for even the most troublesome cases.

SCHEDULE RATING.

The natural opposition of the public to the advance of rates made by the Companies of this Board in the spring and fall of 1872, led them to criticise closely the methods of rating property adopted by the Board, and they have not been lacking in the ability to attack the weak spots in our armor. Necessarily the rating at first was in the character of special, or horizontal rating, and we soon had ample demonstration that it applied very unequally upon risks, and we had no defence to make to the plea that little or no consideration was shown to the citizen who by superior construction had entitled himself to a better rating than he who neglected these precautions.

When the smoke had cleared away a little, after our great battle, we felt that we could accede to this demand for discriminating rates, not only without detriment to the general interests, but with real benefit to them. I called attention in my last address to the New York Schedule, at that time just being thoroughly enforced, and now after it has been tried for over fifteen months, we are ready to pronounce it a nearer approach to justice than has ever before been offered; the public at first disposed to regard the system with distrust, have now come to look upon it with favor as being the only system that secures a recognition of faithful adherence to sound principles in building. When horizontal rates were in force, and risks very diverse in their physical hazards were written at the same rate, it was found im-

possible to influence the erection of safe and substantial buildings, and the companies soon found that instead of holding out inducements for good structures, they were actually offering premiums for the erection of inflammable ones. The good result secured in New York, which was in fact the only city in the Union thoroughly rated upon the system at that time, naturally led your officers to seek for its application elsewhere, and they adopted, not without much opposition from some of their number, a plan of schedule rating for cities and towns of the lesser grade. In the State of New York, within the past six months, a number of cities have thus been rated as an experiment, and while I am not disposed to claim the result in these cases as a great success, the fault is entirely in the application of the ratings, rather than in the system itself. It seems strange to me to stand up before a body of Underwriters, many of them so experienced, to advocate the superiority of schedule rating over any other system, and yet it is necessary, and if we are to preserve our integrity and commend our operations to the support of the people, there is no other system upon which we can do it.

By it we take the physical hazard of every risk as we find it—giving the property the benefit of a careful and accurate survey, and thus securing an enumeration of the details of the defects and exposures—the application of a proper basis rate to these, with fixed charges for deficiencies, will give us with entire accuracy the rate for the risk as it should be. Now if there be a moral hazard, which all of us are aware bears no small proportion to the risk, that, too, can be charged for at discretion, and thus the company has a reasonable hope of compensation for the actual hazard incurred in carrying the risk. The basis rates can, of course, be changed to meet the actual condition of the place to be rated. So much has of late been written on this subject, and so well, that I find but little to add in recommendation of this excellent system. The difficulty that

has always been experienced in securing proper building laws in cities, and having them faithfully carried out, can in a measure, be met by it. The city of New York, with one of the best laws ever framed, found, through a loose interpretation of some of its sections by the officials in charge, that it was having buildings of more than doubtful character, surmounted by that "*bete noir*" of Underwriters, wooden mansards, erected in its most populous parts, and exposing large portions of the city to destruction. Under the operation of the schedule rating this has all been stopped, and while we have had no apparent abatement of laxity in the requirements by the city officials, we have found a marked change taking place in the character of our buildings. Through the courtesy of Mr. Harrison, Superintendent of rates for the New York Board, I learn that from Jan. 1, 1873, to March 23, 1874, no less than 622 business buildings have been altered, and made better risks, with a view of securing a reduction of rate by removing the causes for the charges made, and you can realize the great service done when I mention that these included the removal of wooden mansard roofs from sixty-three buildings, the erection of parapet walls between warehouses, closing of stairways, trapping of hatchways and elevators, the addition of standard iron shutters, closing of communications with brick or double iron doors, erection of vertical or stand pipes, introduction of Fire apparatus, removal of Boilers and Engines to the outside of the building, introduction of automatic fire alarm signals, and the removal of old composition roofs, with many other matters of minor detail, all of which go to improve the physical hazard. Under no other system could this have been done, and we have thus satisfied property owners that their true interest lies in an improvement of their risks. Can any underwriter deny that the removal of these many dangerous elements, and the addition of the protections, have not rendered the chances of profit greater by far than they could have been without them?

This is but one instance. Boston has followed closely behind New York in these reforms, and has secured through their schedule a far better class of buildings in its rebuilt section than was possible under any laws. Says Mr. Howes, Secretary of the Underwriters' Union of that city: "Since the schedule rates were put in force there has not been a single wooden Mansard roof erected in the burnt district, while it is safe to say, from the arrangements that had been previously made, that had the charge for these roofs been omitted, there would now be at least one hundred of them in this new part of the city. The city regulations in this respect, and also in the matter of skylights and shutters, are admittedly defective, and but for the enforcement of the charges in the schedule, for the lack of them, new Boston would have been constructed in a manner hardly better than it was before the fire of the 9th November. As it now is, we have heavy glass skylights in iron frames and iron shutters, in probably more than 150 cases, the deduction proving sufficient to induce property owners to adopt them. Outside the burnt district, we have not made so much progress as yet, but there is every reason for thinking that during the coming season several hundred will be altered, as numerous arrangements have been made to make changes as soon as the weather permits. We have, however, had eighty parapet walls erected, and iron shutters placed on forty buildings, and three Mansard roofs changed to brick, iron and cement, besides the correction of other matters of minor detail. These are the results of less than a year's operations."

Chicago, too, has literally been rebuilt on the schedule plan, a careful examination of the city which I made in 1873, revealed the fact, that we had secured greater thickness and better construction of walls, the almost universal adoption of ledges for beams to rest upon, the general use of iron shutters upon rear windows, the closing of hatchways and sky-lights, and the absence of wood on the outside of buildings by the exemplary changes made.

Now if these things be possible in these three large cities, why cannot it be applied with the same advantage to all places large enough to warrant the expense of a survey. The City of Philadelphia, the second in size in this country, owes it to itself to speedily apply this corrective system, and thus erect more formidable obstacles against a conflagration in its narrow streets.

A recent survey made by the National Board (with a view to schedule rating) of the City of Cincinnati, disclosed the fact that out of 2,378 buildings comprised in the most valuable part of that city, and including all of its business risks, only 935 had metal roofs and 191 iron shutters, while 1,436 had wooden cornices, 939 party walls of 12 inches only, and 218 party walls of less than 12 inches thick. Could this information, so alarming to underwriters, have been obtained except under this system?

Can we as a Board afford to ignore this desirable plan with all of these facts before us? I think not, for a proper application of it to the cities will do much to relieve us of the apprehension of sweeping conflagrations, by securing the erection of superior buildings, and thus presenting barriers to the rapid spread of fires. The advantages of the system over special rating to all concerned are so obvious that I cannot but feel that a better understanding of it on fuller reflection will commend it to the favor of every earnest Underwriter who is a member of this Board.

FIRE DEPARTMENTS AND WATER SUPPLY.

One of the most notable gatherings of the past year in the interests of Fire Insurance, was that of the Chief Engineers of the Fire Departments of the cities and towns of the United States, held in the City of Baltimore in October last. So impressed were the Executive Committee with its importance, that they appointed delegates to it. These were cordially welcomed, and one of them in the organization that resulted from the convention, was chosen permanent Secretary of its Ex-

ecutive Committee. At the Convention the chiefs of the Departments of seventy places were represented, embracing nearly every State in the Union, and all of the important cities and towns. The importance of the conference of this practical, experienced body of men, whose business it is to devise means to protect their various localities from the common enemy, cannot be over estimated. Already much good has resulted, and many of the ancient traditions and ideas in places whose apparatus was modeled on the wants of a quarter of a century ago, have been swept away, and new life and energy has been infused, while in others the interchange of experience has led to the adoption of improved apparatus—to increased attention to the permanent supply of water—to greater discipline in the departments—to the exercise of care in the application of water at fires, and by means of the relief valve preventing unnecessary damage to property—the danger of allowing the storage of combustibles, and the accumulation of rubbish liable to spontaneous ignition, has been noted—the causes of fires carefully investigated, and attention given to the construction of buildings these are a few of the benefits already apparent.

Among the recommendations made was one "That local boards of Fire Underwriters throughout the country be urged to extend the courtesy of the floor at all times to the Chief Engineer of their locality," this was at once taken up by your Executive Committee, and a special circular issued in November last, requesting local boards to take action in conformity therewith. The first place to respond was New York City, subsequently Philadelphia, Boston, Baltimore, Chicago, Cleveland, Buffalo, Albany, Hartford, New Haven, Newark, and other important places followed suit. So that by this means a continual intercourse between those assuming the hazards of fire, and those whose duty it is to protect us from them can be had, and a mutuality of interest established. Another important matter was the recommendation of a uniform hose

coupling of two and a-half inches, with eight threads to the inch, for adoption as a national standard coupling, thus enabling neighboring cities in times of extreme peril to render their apparatus serviceable to each other. The experience of Boston in November, 1872, was sufficient to demonstrate the necessity of this, when it was found that it was impossible to avail itself of the assistance of the apparatus of neighboring cities, owing to the diversity of sizes of the couplings in use by the other fire departments. I have alluded to this Convention here, that you may all be made aware of its importance, and of the good results that can be realized by a promotion of the objects it sought to accomplish.

We are gratified to be able to call attention to a marked increase of interest shown by the citizens and authorities of towns in procuring good and sufficient water supply. Its effect upon the health of the inhabitants of the lesser cities and large towns cannot be overestimated, while the increased facilities for protecting such places from fire, gives us hope for profit in our business in the future. Among the cities who have carried to a successful result the introduction of water during the past year, we can mention Rochester, Lockport, Buffalo, Poughkeepsie, and Yonkers, in N. Y. ; Toledo and Zanesville, Ohio ; Terra Haute, Ind. ; Rock Island, Ill. ; Milwaukee, Wis. ; St. Paul, Minn., and Dubuque, Iowa ; while there are many other places whose works are in a state of progress or under contract for completion during the present year. In nearly all of these places the citizens have been stimulated by the desire to reduce the cost of insurance to themselves. It is a concession which the National Board can well afford to make, for it lessens the danger of great conflagrations in any community. This concession has been promptly made by the Executive Committee in every place which a thorough investigation of its water supply has shown to be entitled to it.

We have gathered during the year a large amount of valuable information in regard to the Fire Departments and water supply of the towns of the United States, which, being in print, is at all times accessible to our members.

In the city of New York, the successful organization of the Sappers and Miners Corps as a part of the Fire Department, and to which attention was called at the last annual meeting of this Board, has shown how easy it is to render effective, through intelligent instructors and thorough discipline, this branch of protection against extensive conflagrations in large cities. Having had an opportunity of witnessing their method of operation, I can say with confidence, that with such a corps in efficient service, in either Boston or Chicago, millions of dollars could have been saved to the insurance companies.

STATE AND OTHER AUXILIARY ASSOCIATIONS.

The more thorough organization secured in local boards has, in a great measure, relieved the State auxiliary associations from a large portion of the duty which had devolved upon them. The extension, too, of the operations of the Supervising Agents of the Board has also rendered much of the visitation heretofore conducted by District Committees unnecessary. As by resolution at the last annual meeting, the expenses of the State auxiliaries had been assumed by the Board and were paid out of the general treasury, it was felt that much saving of expense could be made by consolidating the associations, and in September, 1873, the Executive Committee, after careful consideration, issued an order grouping together contiguous States. Soon after, the States of Ohio, Indiana and Michigan consolidated under the name of the Central Auxiliary; the States of Illinois, Wisconsin, Iowa and Minnesota, under the name of the Northern Auxiliary; and Mis-

souri, Kansas, Nebraska and Colorado under that of the Western Auxiliary ; and Kentucky was attached to the Southern Association. It was intended to unite the States of New York, New Jersey and Pennsylvania, under the title of the Atlantic Auxiliary, but for good and sufficient reasons this was recalled, and each State retained its respective organization. A reference to the report of the Treasurer will show that the expense to the Board of all its auxiliaries for the year 1873 was \$13,917.46. The great benefit we have derived from these associations, and the diligent, faithful and earnest work in our behalf by their members, command our grateful acknowledgments. This labor has from necessity fallen upon a few, and the Companies whose special agents had given so large a share of their time in carrying on the National Board work, have felt compelled to recall the privilege in justice to their personal interests. Yet it is apparent that all have been the gainers by these associations, and none more so than the Special Agents themselves. It has enabled them to form the personal acquaintance of all the workers in their own field of labor, to learn from the more experienced the wants of their field, and to profit by the efforts of those who have labored longer than themselves. One great advantage is seen in the better class of adjustments of important losses which this nearear acquaintance has secured. We are grateful for all of this service of duty which has been rendered, and we know that we can count on the co-operation of these same friends in their individual capacity in all our plans, and should the emergency arise they are ready to step into the breach and serve us as they have done in the past. We, therefore, look for judicious action in the retention of the several organizations in such a state of efficiency as will enable the Board hereafter to call upon them should necessity arise.

In order to facilitate prompt action upon the many important matters that are continually arising, it was

thought wise by the Executive Committee to constitute five gentlemen, managers of departments of companies, a Committee of Co-operation for the West, with advisory powers, and who being nearer the centre of territory covered by their own jurisdiction, it was felt could give personal supervision to many matters of importance heretofore neglected.

All subjects reported upon by this Committee, receive the attention and revision of the Executive Committee before promulgation by the General Agent.

BUREAU OF STATISTICS.

When I called your attention at the last annual meeting to the fact that no steps had been practically taken to utilize the results of business upon various classes of hazards, based upon the experience of all of the National Board Companies, you were pleased to adopt resolutions, giving to the Committee on Statistics authority to collect information upon Ten Classes of Hazards, for the years 1870-1-2, as an experiment. The Board were fortunate in their Committee, and as will appear in the report which will be presented to you at this session, the Committee have been heartily seconded in their efforts by nearly all of the Companies who are members of the Board. Some few of the large Companies, however, we regret to say, did not contribute their experience. Encouraged by this hearty response, the Committee put forth in February last a preliminary report upon but one class, "Woolen Mills," with which you have all been furnished. Even in its incomplete state, its information has proved of unusual value to the profession, and satisfied me that we shall find in the results reached by the labors of this Bureau, some of the most valuable work of our Board, besides taking away from us the reproach that our business is one of chance rather than the result of actual experience. A Bureau of Statistics has already been established at the Board rooms, with a competent

clerk in charge, and it has received donations from various quarters of most valuable statistical information. The United States Census Bureau, the United States Treasury Department, as well as many of the State governments, have placed their official records at our service, and furnished us with copies of the reports issued by them. In the course of the Committee's investigations, they found it would be entirely practicable to have certain important questions added to the next Governmental census blank, as well as to the State census blanks of several of the prominent New England and Middle States, who usually take their State Census in 1875. The matter will be submitted to you in due form for your action before the close of this session. We have also received from the Secretary of the Statistical Congress, at Berlin, Prussia, an offer of aid in our work, and we have similar promises from other influential bodies in foreign countries, and many words of encouragement to persevere in our labors.

I do not propose to comment here upon the nature of the results arrived at by the information before the Committee. Suffice it to say that they are replete with warning and suggestion, and afford food for thought to even the most reckless underwriter.

The statistics of business having been contributed by the Companies in confidence to your Board for the use of members only, we did not feel at liberty to make public use of them by distributing the tables of results. An arrangement, however, has been made by which they will be available to all members of the Board entitled to receive them. I am sure you will agree with me in the wisdom of this action.

I most heartily commend the Bureau of Statistics to your approval and support, and trust that not only will you order a continuance of its labors upon the classes of hazards already reported upon, but will direct the addition of other hazards to the list. The preliminary work being now done, it will be much easier to extend

the operations of the Committee to nearly every class of hazard, which I have no doubt will be done in due time. Had no other result been reached by the National Board during the past year, this would be ample compensation to the Companies for all the outlay of time and money that has been expended upon it.

BUILDING LAWS.

An effort was made last year to secure in New York such amendments to the laws relating to the construction of buildings as would insure the erection of a better class of buildings for mercantile purposes, but, unhappily, they were defeated by the politicians. The effort has again been renewed at the present session of the Legislature, with a reasonable prospect of success, in view of the abuses which the present law was able to legalize, one of which was the erection of a building in the thickly-built and most valuable part of the city, which exposed a whole section of the city to destruction on account of its huge proportions and the immense amount of wood used in its construction. Without some such law as a model for other cities, we have found it very difficult to secure legislation elsewhere. Soon after the annual meeting of 1873, "An ordinance regulating the construction and occupation of buildings and for other purposes," was drawn up by an officer of one of the State auxiliaries, and submitted to the Executive Committee, and meeting with their approval, it was very extensively circulated among special and local agents, and with good effect. It has been adopted in several towns and cities in each of the States of Ohio, Indiana, Michigan and Illinois, while not as complete as perhaps it should have been, it is short and concise, covering all of the important points in the structure of buildings, and, if adopted, will secure us against many of the greatest evils practiced in the erection of structures in smaller cities and towns. A new edition of it, in pamphlet form, has been prepared for distri-

bution, and it is hoped will receive at the hands of our members from abroad, circulation among those in authority in our lesser cities. In no other way can we hope for amendment of the very loose practices which obtain in the considerable places of our extended country. The tendency of the day is to erect very large edifices, there is scarcely one of our great cities that does not contain many of them, and unless properly constructed, they expose in a great degree all other property in their immediate vicinity. The recent fire in the Pantechicon, in London, and which the *London Times* says "was the largest, safest and most fireproof warehouse in the Metropolis," shows how little we as yet understand what is really fireproof construction. In this building, each room was separated by brick walls of great thickness and wrought iron doors, all the stairs were of stone, and there was not a piece of wood exposed in any part—the ceilings were lathed with iron rods and covered with a composition, which it was expected would resist the fiercest fire, and not even crack or fall if cold water was thrown upon it while hot, and yet this structure filled with light material only was entirely destroyed. The probability is that had it not been esteemed so thoroughly fireproof it would not have burned down. We owe it to ourselves to pursue an intelligent inquiry into the best method for the construction of fireproof edifices, and for this reason it is proposed to add to our Standing Committees one on "the Construction of Buildings."

INCENDIARISM AND ARSON.

The inauguration by the Board last year of a determined onslaught upon these two great and growing evils, by bringing public attention to bear upon the subject, and the offering of rewards for the detection and conviction of criminals, has had the good effect of exciting not only the attention of the general public,

but of the authorities of cities, towns and villages throughout the United States to the frequency of this crime. The noble response of the companies for a subscription to the fund of \$100,000, at once placed at our disposal the means of meeting all demands for rewards upon us. The report of the Committee will fully set forth how far reaching have been our operations in this branch of our duties. But apart from this, we have been led to make many inquiries as to the extent of this crime throughout our country, and we have been furnished with the following statistics in regard to the number of persons in a portion of the States who are serving out sentences, in the various State prisons of the country. Since the abolition of capital punishment for the crime of arson, convictions have been much more numerous than formerly, and detection has almost invariably been followed by punishment. There are in the various prisons in—

California,	-	-	14	New Hampshire,	-	5
Connecticut,	-	-	4	New York,	-	53
Georgia,	-	-	14	North Carolina,	-	15
Indiana,	-	-	3	Pennsylvania,	-	30
Iowa,	-	-	9	Rhode Island,	-	2
Kansas,	-	-	1	South Carolina,	-	8
Kentucky,	-	-	12	Tennessee,	-	4
Maine,	-	-	3	Vermont,	-	7
Mississippi,	-	-	3	Virginia,	-	18
Nebraska,	-	-	1	Wisconsin,	-	2
Nevada,	-	-	3	In all,	-	211

Of these, 18 are life sentences, the remainder from 1 to 30 years. We have no response from 14 States, among them Massachusetts, Illinois, New Jersey, Michigan and Ohio, in whose prisons, arson convicts are known to be.

These figures are, however, sufficiently startling, and show how widespread the crime has become throughout our country, and that the action taken by your

Board was none too soon. I most cordially recommend a continuation of the system of rewards, and, if needs be, an increase by the companies of the subscription to the fund.

But while I thus arraign this crime of arson, I cannot refrain from noting the cases of needless and unintentional incendiarism, which the official reports of the various large cities show to have resulted from the careless habits of our people, many hundreds arising from want of care in the use of matches and cigars,—in putting matches within reach of children—the explosion and upsetting of kerosene lamps,—overheating stoves and furnaces,—defective flues, stovepipes, gas fittings, heating apparatus, etc., etc. Now, in many of the older European States, and notably in France and Switzerland, a rigid governmental inspection is made of the latter class of dangers mentioned. If we cannot render our people careful, and compel them to regard the right that their neighbor's property has to their care and forethought, we should provide for an inspection similar to that in European cities. Every great conflagration resulting from any cause, and frequently from such as have been enumerated, is a tax upon the whole nation, and it is time that the great public protected itself by holding individuals responsible for their criminally careless acts. Until this is done, the public have no right to complain of the insurance companies for charging rates to cover such hazards as these, which not only expose them to minor losses, but also render them liable to be called upon to pay for whole cities wept away, as the result of the carelessness of some irresponsible individual.

LEGISLATION AND TAXATION.

Probably no one subject has received more careful attention at our hands the past year than the question of legislation and taxation; and while it is not my intention to review the action that has been taken (as

that will be done by the full and intelligent report of the standing committee upon these subjects, and to whose diligence and watchfulness we owe it that we have not been burdened with more ruinous legislation than we now labor under), I cannot refrain from some remarks upon the extraordinary position in which the insurance interest finds itself placed in this country. We are now feeling fully the effect of the decision of the United States Supreme Court, which turned us over to the tender mercies of State legislatures, and as we have, as I think unwisely, been willing to accept that decision as final, it has led to the preparation of a series of laws which have been presented during the present year to the legislatures of the States of New York, Illinois, Wisconsin, California, Virginia, Georgia, Texas, North Carolina, Ohio, Maine and Rhode Island, which, if carried into effect, would result in the necessary withdrawal of a large majority of the companies from business in those States. Having in our body politic no less than 37 distinct State legislatures, besides several territorial ones, each one competent and vested with the right of regulating matters within its own borders, we find, especially in those States which have no insurance institutions of their own for the protection of their citizens, a disposition to press the most absurd and ruinous laws against the companies who have sought to extend protection to the commerce and industry of the States. Not only do these States impose taxes, and seek to deprive us of the equal rights guaranteed by the Constitution of the United States to the citizens of the whole country, but each town adds its license fees and other restrictions. Every other branch of commerce finds its way into these States without tax or legal restraint; yet insurance, the moment it enters the State, finds itself met on all sides with requirements and obnoxious laws sufficient to discourage the most sanguine. If an explanation of this is sought in the popular idea that the business

is one of such great profit that it can afford to pay even exceptional taxes, we can refer to a table of results of fifteen years business in this country, which shows a less return for the capital invested and ventured than that of any other branch of commerce. If it is attempted to be justified on the ground that the companies are captious in the settlement of just claims against them, we can turn to Chicago, where fifty millions of claims, many of the most doubtful proof, were paid without a single suit at law. Boston showed the same result, and the millions paid in other parts of the United States are an unanswerable defence to this supposition. Is it to protect "local institutions?" Then those States which abound in legitimate companies, as New York, Connecticut, Massachusetts, Rhode Island, etc., are the most liberal in their laws, and impose the fewest burdens. We are, therefore, forced back upon the conclusion that it results from utter ignorance of the importance our business is, to the welfare and prosperity of the whole country, and that these taxes and burdens are only burdens upon the frugality, industry and prudence of its best citizens.

Said a high official of one of the Eastern States, in a recent message on this subject to his State legislature: "No business is more profitable than insurance, when well managed; this is especially the case in a rural State like ours. We annually send out of the State for premiums nearly a million of dollars more than we receive back for losses. If the foreign insurance companies were to withdraw from the State, we could save that large sum by doing our own insurance business." I feel it my duty, under the remarkable circumstances thus presented, to recommend that this State have the liberty they crave of saving their million a year. Having had an agency for my own company in that State for over twenty years, I can say, that as the result of a carefully selected business, confined to non-hazardous risks, we have a balance against it of fifty per cent.

in excess of all of our receipts in the twenty years, and this experience, I have no doubt, is similar to that of others during the same period.

Now what is the remedy for all this? It is hard to say, and yet it is our duty to present a solid and combined front to the injustice which is everywhere sought to be imposed upon us. Fair and equal taxation we are willing to submit to, and as an earnest of our sincerity, we have prepared such a bill as will be acceptable to us, agreeing to the imposition of a tax upon actual *realized* profits within any State. In this view, we are glad to say, we are sustained by the Superintendents and Commissioners of Insurance in the important States of New York, Illinois, Connecticut, Massachusetts, Rhode Island and Maine. Other laws, passed apparently in direct violation of the clause of the Constitution of the United States in section 10 of article 1st, which denies the right of a State to impair the obligation of contracts, such as the recent one in Wisconsin, it is our duty to resist, and to protect ourselves by such clauses in our policies as will secure to us a waiver of the new requirement.

It is not our purpose or desire to avoid proper laws for the regulation of the business; but it is our duty as citizens and the representatives of capital, which stands as a bulwark for the protection of every class, commerce, manufactures and agriculture, to resist the enactment of laws which, by their burdens and injustice, would discourage capital from affording that security which is so important an element in our national credit, and so necessary to the success of the industries of the whole country.

NATIONAL BOARD OF FIRE UNDER- WRITERS' POLICY.

Owing to the continued disability of the chairman of this important standing committee during the greater part of the year, and from whom so much of good

work was reasonably expected, the Executive Committee, on the 17th of September last, under the resolution passed at the last Annual Meeting, referring the question of a new "policy" to them, referred the matter of preparing a uniform policy to a committee of members from New York, Philadelphia and Hartford, to report upon to this Board. That committee, fully realizing how important it was to secure prompt action, will present a report to which your attention is asked. The careful and thorough consideration given to this subject in 1867 and 1868, when the policy in general use was adopted, after a year's consideration, has led me to look with much favor upon a continuation of the contract in the form in which it was then adopted. None of the changes that have been made in it can really be called improvements, or possess such merit as would justify their being preferred over the clauses originally adopted. This policy has already stood the test of many suits, and in the speaker's experience with good effect, showing the advantage of well weighed words as sure protections. It would seem unwise, therefore, to disturb its form. A policy of insurance, though a contract, is one which is signed by but one person, and that the one who makes the stipulation for the government of the other party to it. Hence, the courts have always construed its conditions with great leniency so far as the assured is concerned, but even this has failed to satisfy claimants, and they have had recourse to the legislatures of the States for laws which should compel Companies to pay losses which neither justice or equity could make them liable for. We have had specimens of such legislation the past winter. One great State passing and putting into force a law making the amount of insurance upon a building its *cash* value in case of fire, while in another State (happily without success), it was sought to apply the same principle to personal as well as real property. I trust in the first named case that you will take such

action as will legally nullify the effect of the law, and thus protect our interests from these unwise and fanatical persecutors. I have spoken elsewhere of these attacks upon the good standing of Insurance Companies, and therefore refrain from anything but this allusion here. A very interesting discussion has been evoked among Companies in consequence of some suggestions that were made in the Executive Committee as to the introduction of a three quarter clause in manufacturing policies, and an equivalent reduction in rate therefor. It showed that great diversity of opinion existed among underwriters. One result of that discussion was the adoption of an average rule in the New York Board of Fire Underwriters, with a concession in rate when used in policies. This is a long step in advance, and can safely be followed by us. A recommendation in regard to it will be presented for your consideration, and I trust adoption. I cannot but think that the suggestion made by your Committee last year would go a great way towards relieving us from the disposition to make constant changes in our form of contract, and save us from individual action. I beg to renew it and offer it for adoption as a rule of the Board. It is as follows: "That in order to preserve and perpetuate uniformity, Companies finding in their experience any necessity for alteration in the policy, shall report the same to the Standing Committee on form of policy, through the General Agent, who shall, after due consideration, report upon it to the Executive Committee with their recommendation, and when approved and promulgated by the Executive Committee, it shall after a given date be incorporated into all the editions of policies thereafter issued by members of the Board."

AGENTS COMMISSIONS.

Some misunderstanding seems to exist among members as to the action which has been had upon this im-

portant matter, and it has been claimed that there was no limit to the amount of commissions which a Company may pay its Agents. I find, on referring to the printed proceedings, that the Board after a lengthy discussion and the report of two distinct committees thereon, did, on motion of President Hendee, of the *Ætna* of Hartford, enact the following rule on the 11th May, 1869 :

“That the maximum rate of commissions to be paid to Agents by members of the National Board be established at Fifteen per cent.”

At the special meeting of the Board, held in November, 1872, during the famous two days' debate in Committee of the whole on this subject, all of the resolutions offered were amendatory of the one I have quoted, showing that it was recognized at that time as binding upon the members. The resolutions reported by the Committee of the whole, which looked to a discriminating rate on special hazards, were not adopted by the Board, and a resolution recommending Companies to take steps to reduce the commission to Ten per cent. was passed. I have been thus particular in alluding to this subject, that you may if you deem it necessary, or if any doubt exists as to its binding character, or its supersedure by the adoption of the resolution last mentioned, re-enact the resolution of May, 1869. It is too important a matter to be left without the most perfect understanding between the members of the Board.

EXTRA RESERVE FUNDS.

I commended at the last annual meeting the bill then before the New York Legislature, authorizing the creating of a special reserve fund for Companies. Owing to the late period of the session at which the bill was introduced it failed to pass, but its introduction has led to much discussion upon this important subject, and Superintendent Chapman, after a year of consideration, renewed his recommendation for legal provision for

such a fund. A new bill was introduced and advocated in an argument of great force and clearness and with excellent results. The bill having become a law. I must congratulate the entire profession on the success of this measure, as it is the first step taken to secure *all* policy-holders of a Company from loss by a great disaster, by recognizing, as the Superintendent well says, "the rights of the unburned, always a very large class, whose rights hitherto have been in many instances at least secondary to those of the other class if they have not been entirely ignored." Already do we hear of many Companies who propose to avail themselves of its provisions, and among them several prominent Agency Companies.

It is gratifying to us to find among legislators a disposition to regard the claims of insurance capital for protection, and the insurance interests are largely indebted for the passage of this bill, not only to the Superintendent of the New York Department, but to Messrs. Lowery and Tobey of the New York Senate, and Messrs. Husted, Barrow and Weed of the House, who are fairly entitled to this distinction on the ground of a broader intelligence and fuller comprehension of their duties as legislators for the public good, than has characterized their predecessors. One of these gentlemen is the descendant of one of New York's oldest and most respected insurance Presidents, who passed away some years ago, but who was well known to many of us.

I may be pardoned, perhaps, in this connection, for calling attention to some suggestions made by myself in a recent letter to Superintendent Clarke of Massachusetts, which, perhaps, may be more in accordance with the views of some of our members who are unable to avail themselves of the provisions of the bill referred to, I suggested that dividends on capital should be restricted to seven per cent. per annum, until the earned surplus reaches fifty per cent. of the capital, and further restricted to ten per cent. per annum until the surplus

reaches an amount equal to the capital, exclusive of the liability for running premiums. I also suggested a minimum capital of \$500,000 for Companies doing business in large cities, or an extensive Agency business, and a limit to the liability on single risks, not exceeding five per cent. of the capital stock. The necessity for the increase of assets for larger capital and for greater conservatism in business was never more apparent than at the present time, and I trust that the members of this Board will not hesitate to avail themselves of some of these plans, which will tend to guarantee greater value and solidity to the policies which they grant to the insuring public.

CONCLUSION.

Such then is the history of one year's faithful and intelligent operations. Does it not by its results urge us to renewed perseverance in the work upon which we have entered? We cannot afford to falter now, when we stand almost at the point of success, but let us push vigorously forward the many matured plans devised for the general welfare, and in their successful accomplishment, earn for ourselves, a right to the respect and consideration of the whole country.

HENRY A. OAKLEY,

President.

TABLE I.

1 INSURANCE COMPANIES OF THE STATE OF NEW YORK.

YEAR.	CAPITAL.	DIVIDENDS.	PERCENTAGE.
1859	20,007,000	2,851,722 74	14 25
1860	23,482,860	2,469,090 05	12 05
1861	20,282,860	2,111,788 76	10 41
1862	20,432,860	2,043,898 01	10 00
1863	23,632,860	2,024,742 51	8 56
1864	28,807,070	2,483,370 94	8 62
1865	31,557,010	2,621,284 30	8 30
1866	30,649,660	2,073,375 79	6 76
1867	28,861,232	2,272,237 96	7 87
1868	28,629,474	2,753,723 64	9 60
1869	28,611,232	3,157,350 09	11 03
1870	29,761,232	3,441,904 07	11 56
1871	22,907,020	2,485,890 30	10 40
1872	24,407,010	2,265,687 79	9 28
1873	25,557,020	2,163,361 86	8 46
AGGREGATE.	384,686,400	37,219,437 81	9 67

2 INSURANCE COMPANIES OF OTHER STATES.

YEAR.	CAPITAL.	DIVIDENDS.	PERCENTAGE.
1859	12,351,315	1,743,628 00	14 11
1860	9,515,900	1,367,051 92	14 36
1861	9,101,400	1,138,961 00	12 51
1862	9,401,400	1,280,668 00	13 62
1863	9,613,900	1,542,589 00	16 04
1864	12,822,875	1,658,003 48	12 15
1865	12,725,740	1,995,322 81	15 67
1866	13,760,690	1,295,874 91	9 41
1867	16,750,000	1,502,089 00	8 96
1868	20,701,720	2,298,072 74	11 10
1869	22,507,870	3,095,420 30	13 75
1870	22,971,101	3,068,004 61	13 35
1871	20,850,000	2,587,583 44	12 41
1872	18,770,506	1,031,111 17	5 49
1873	24,780,045	2,041,354 04	8 24
AGGREGATE.	236,623,962	27,645,824 42	11 68

3 AGGREGATE.

YEAR.	CAPITAL.	DIVIDENDS.	PERCENTAGE.
1859	32,358,315	4,595,350 74	14 19
1860	29,998,760	3,836,141 97	12 78
1861	29,384,260	3,250,749 76	10 06
1862	29,834,260	3,324,566 01	11 11
1863	33,246,760	3,567,331 51	10 72
1864	41,629,945	4,141,374 42	9 94
1865	44,282,750	4,616,607 11	10 42
1866	44,410,350	3,369,250 70	7 81
1867	45,611,232	3,774,326 96	8 27
1868	49,331,194	5,051,796 38	10 24
1869	51,118,602	6,252,779 30	12 23
1870	52,732,333	6,509,998 68	12 34
1871	43,757,020	5,073,473 74	11 33
1872	43,177,516	3,296,798 96	7 63
1873	50,337,065	4,204,715 90	8 35
AGGREGATE.	621,210,362	64,865,262 23	10 44

TABLE II.
1 INSURANCE COMPANIES OF THE STATE OF NEW YORK.

YEAR.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	PERCENTAGE.
1859	6,290,688 16	2,681,986 08	42 57
1860	6,710,412 27	3,578,934 15	53 33
1861	6,161,507 88	3,274,115 21	53 14
1862	6,866,355 69	4,227,157 44	61 56
1863	8,987,315 81	3,349,945 22	37 27
1864	13,325,783 12	7,195,271 84	54 00
1865	17,052,086 97	12,046,793 77	70 65
1866	20,786,847 47	15,312,751 13	73 67
1867	21,012,050 18	12,229,492 80	58 20
1868	20,686,198 13	10,188,294 62	49 25
1869	20,537,288 44	9,683,747 78	47 15
1870	20,064,153 14	11,119,308 47	55 41
1871	17,157,055 06	13,261,604 63	77 67
1872	20,385,074 62	14,309,564 19	70 14
1873	23,552,748 58	13,764,886 38	58 44
AGGREGATE.	229,584,565 72	136,223,853 71	59 33

2 INSURANCE COMPANIES OF OTHER STATES.

YEAR.	FIRE PRMIUMS RECEIVED.	FIRE LOSSES PAID,	PERCENTAGE.
1859	8,113,770 40	5,349,261 33	65 92
1860	5,156,136 18	3,414,696 75	66 23
1861	4,365,819 88	2,975,574 58	68 16
1862	4,442,063 30	2,829,574 13	63 70
1863	5,032,342 32	2,307,030 42	45 84
1864	6,815,369 36	4,161,353 13	61 06
1865	8,367,502 58	5,217,824 56	62 36
1866	11,494,557 29	8,600,994 74	74 83
1867	15,150,088 27	8,588,777 07	56 69
1868	16,709,542 12	9,095,684 49	54 43
1869	18,816,290 13	10,370,594 02	55 11
1870	17,173,468 59	10,750,132 28	62 59
1871	19,663,996 76	18,335,669 55	91 58
1872	23,757,005 00	20,302,837 57	85 46
1873	28,461,976 21	17,115,723 55	60 13
AGGREGATE.	193,519,928 39	129,415,727 17	66 88

3 AGGREGATE.

YEAR.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	PERCENTAGE.
1859	14,413,458 56	8,031,247 41	55 72
1860	11,866,548 45	6,993,630 90	58 93
1861	10,527,327 76	6,249,689 79	59 36
1862	11,308,418 99	7,056,731 57	62 40
1863	14,019,658 13	5,656,975 64	40 35
1864	20,141,152 68	11,356,624 97	56 38
1865	25,419,589 55	17,261,618 33	67 91
1866	32,281,404 76	23,913,745 87	74 07
1867	36,162,138 45	20,818,269 87	57 56
1868	37,395,740 25	19,283,979 11	51 56
1869	39,353,578 57	20,051,341 80	50 95
1870	37,237,621 73	21,869,440 75	58 72
1871	36,821,051 82	31,597,274 18	85 81
1872	44,142,079 62	34,612,401 76	78 41
1873	52,011,724 79	30,880,609 93	59 36
AGGREGATE.	423,004,494 11	265,639,581 88	62 79

TABLE III.

1. INSURANCE COMPANIES OF THE STATE OF NEW YORK.

YEAR.	NET CASH PREMIUMS RECEIVED INCLUDING INLAND.	EXPEND'S, LESS DIVID'S, LOSSES AND AMOUNT PAID IN INTEREST ON SCRIP AND REDEMPTION.	PERCENTAGE.
1859	6,421,342 54	2,321,645 30	36 15
1860	7,261,595 52	2,401,741 20	33 07
1861	6,827,736 46	2,394,286 96	35 06
1862	7,742,190 88	2,450,074 66	31 60
1863	10,181,030 42	3,195,594 58	31 88
1864	15,618,603 82	4,955,750 45	31 72
1865	19,620,068 09	6,624,504 98	33 76
1866	25,122,152 86	7,945,067 30	31 62
1867	24,095,970 04	7,962,084 45	33 04
1868	22,852,317 62	7,965,124 72	34 85
1869	22,313,250 19	8,173,085 45	36 62
1870	21,504,931 62	8,596,517 22	39 97
1871	17,634,934 71	6,177,181 00	35 04
1872	20,912,781 00	7,177,310 00	34 32
1873	24,312,752 33	7,954,164 47	32 71
AGGREGATE.	252,421,658 10	86,294,132 74	34 18

2. INSURANCE COMPANIES OF OTHER STATES.

YEAR.	NET CASH PREMIUMS RECEIVED INCLUDING INLAND.	EXPEND'S, LESS DIVID'S, LOSSES AND AMOUNT PAID, IN INTEREST ON SCRIP AND REDEMPTION.	PERCENTAGE.
1859	8,113,770 40	1,682,912 09	20 74
1860	6,489,166 97	1,339,582 66	20 64
1861	5,572,908 63	1,090,306 77	19 56
1862	5,662,406 74	1,119,831 32	19 77
1863	6,233,193 52	1,305,255 92	20 94
1864	8,224,918 07	1,906,039 80	23 17
1865	9,899,024 19	2,778,629 30	27 96
1866	13,745,339 41	3,846,302 36	27 98
1867	18,140,089 34	5,162,207 69	28 45
1868	20,171,630 19	5,909,686 27	29 29
1869	22,710,895 32	6,751,280 71	29 72
1870	21,088,154 06	6,531,773 44	30 97
1871	23,112,353 90	6,645,693 46	28 75
1872	27,090,523 00	7,458,726 00	28 42
1873	32,092,743 90	9,215,014 99	28 71
AGGREGATE.	228,347,119 18	62,984,462 13	27 58

3. AGGREGATE.

YEAR.	NET CASH PREMIUMS RECEIVED INCLUDING INLAND.	EXPEND'S, LESS DIVID'S, LOSSES AND AMOUNT PAID IN INTEREST ON SCRIP AND REDEMPTION.	PERCENTAGE.
1859	14,535,112 94	4,004,557 39	27 55
1860	13,750,762 49	3,741,323 86	27 20
1861	12,400,645 09	3,484,593 73	28 10
1862	13,404,597 62	3,569,905 98	26 63
1863	16,414,223 94	4,500,850 50	27 42
1864	23,843,521 89	6,861,790 25	28 77
1865	29,519,092 28	9,403,134 28	31 85
1866	38,867,492 27	11,791,369 66	30 33
1867	42,236,059 38	13,124,292 14	31 07
1868	43,023,947 81	13,874,810 99	32 24
1869	45,024,145 51	14,924,366 16	33 14
1870	42,593,085 68	15,128,290 66	35 51
1871	40,747,288 61	12,822,874 46	31 42
1872	48,003,304 00	14,636,036 00	30 48
1873	56,405,496 23	17,169,179 46	30 44
AGGREGATE.	430,768,775 74	149,037,375 52	31 00

TABLE IV.

1. INSURANCE COMPANIES OF STATE OF NEW YORK.

YEAR	FIRE RISKS WRITTEN.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	Percentage of Fire Losses to Prem's.	Percentage of Fire Losses to F. Risks wr't'n	Am't of Fire Risks wr't'n to \$1.00 loss.	Average Rate of Prem's on Fire Risks.
1860	1,049,551,594	6,710,412 27	3,578,934	15 33.33	.3410	293.26	.6392
1861	1,027,112,596	6,161,507 88	3,274,115	21 53.14	.3188	313.71	.5999
1862	1,200,721,130	6,866,355 69	4,227,157	41 61.56	.3521	284.05	.5738
1863	1,560,687,139	8,987,315 81	3,340,945	22 37.27	.2146	465.88	.5805
1864	2,342,666,111	13,325,783 82	7,195,271	84 54.00	.3071	325.58	.5688
1865	2,510,595,187	17,052,086 97	12,046,793	77 70.65	.4799	208.40	.6792
1866	2,753,493,107	20,786,847 47	15,312,751	13 73.67	.5561	179.82	.7549
1867	2,503,847,496	21,012,050 18	12,229,492	80 58.20	.4884	201.73	.8399
1868	2,643,720,096	20,686,198 13	10,188,294	62 49.25	.3853	259.48	.7824
1869	2,711,188,776	20,537,298 44	9,683,747	78 47.15	.3567	280.28	.7566
1870	2,813,983,769	20,064,153 14	11,119,308	47 55.41	.3951	253.07	.7030
1871	2,506,557,045	17,157,055 06	13,201,604	63 77.07	.5127	184.17	.7088
1872	2,922,114,289	20,385,074 62	14,304,564	19 70.14	.4950	204.20	.7085
1873	2,933,463,315	23,552,748 58	13,764,886	38 58.44	.4692	213.11	.8029
Aggregate	31,482,711,650	229,584,565 72	136,223,853 71	59.33	.4326	231.11	.7205

2. INSURANCE COMPANIES OF OTHER STATES.

YEAR	FIRE RISKS WRITTEN.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	Percentage of Fire Losses to Prem's.	Percentage of Fire Losses to F. Risks wr't'n	Am't of Fire Risks wr't'n to \$1.00 loss.	Average Rate of Prem's on Fire Risks.
1860	567,887,673	5,156,136 18	3,414,696	75 66.33	.6013	166.31	.9079
1861	502,906,639	4,365,819 88	2,975,574	58 68.16	.5917	169.01	.8631
1862	529,267,441	4,442,063 30	2,829,574	13 63.70	.5346	187.04	.8393
1863	589,513,659	5,032,342 32	2,307,030	42 45.84	.3913	255.53	.8536
1864	823,866,793	6,815,369 36	4,161,353	13 61.06	.5051	197.98	.8272
1865	917,510,037	8,367,502 58	5,217,824	56 62.36	.5687	175.84	.9120
1866	1,176,555,214	11,494,557 29	8,600,994	74 74.83	.7310	136.79	.9770
1867	1,308,447,411	15,150,088 27	8,588,777	07 56.69	.6564	152.34	1.1579
1868	1,525,775,378	16,709,542 12	9,095,684	49 54.43	.5961	167.74	1.0051
1869	1,740,609,887	18,816,290 13	10,370,594	02 55.11	.5958	167.84	1.0810
1870	1,695,633,560	17,173,468 59	10,750,132	28 62.59	.6339	157.73	1.0128
1871	1,653,808,930	19,663,996 76	18,335,669	65 91.58	1.0228	97.76	1.1059
1872	1,945,804,854	23,757,005 00	20,302,837	57 85.46	1.0366	95.83	1.2352
1873	2,188,228,509	28,461,976 21	17,115,723	55 60.13	.7821	127.84	1.3006
Aggregate	17,65,815,985	193,519,928 89	129,415,727 17	66.82	.7536	132.64	1.1273

3. AGGREGATE.

YEAR	FIRE RISKS WRITTEN.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	Percentage of Fire Losses to Prem's.	Percentage of Fire Losses to F. Risks wr't'n	Am't of Fire Risks wr't'n to \$1.00 loss.	Average Rate of Prem's on Fire Risks.
1860	1,617,439,267	11,866,548 45	6,993,630	90 58.93	.4323	231.27	.7336
1861	1,530,019,235	10,527,327 76	6,249,689	79 59.36	.4084	244.81	.6880
1862	1,729,988,571	11,308,418 99	7,056,731	57 62.40	.4079	245.15	.6536
1863	2,150,200,798	14,019,658 13	5,656,975	64 40.35	.2630	380.09	.6520
1864	3,166,532,904	20,141,152 68	11,356,624	97 56.38	.3586	278.82	.6360
1865	3,428,105,224	25,419,589 55	17,264,618	33 67.91	.5036	198.56	.7415
1866	3,930,048,321	32,281,404 76	23,913,745	87 74.07	.6084	164.34	.8213
1867	3,812,294,907	36,162,138 45	20,818,269	87 57.56	.5460	183.12	.9485
1868	4,169,495,474	37,395,740 25	19,283,979	11 51.56	.4625	216.21	.8968
1869	4,454,808,663	39,353,578 57	20,054,341	80 50.95	.4501	222.13	.8893
1870	4,509,617,329	37,237,621 73	21,869,440	75 58.72	.4849	206.20	.8257
1871	4,160,365,975	36,821,051 82	31,597,274	28 85.18	.7492	133.46	.8795
1872	4,867,919,143	44,142,079 62	34,607,401	76 78.41	.7120	140.64	.9186
1873	5,121,691,824	52,014,734 79	30,880,609	93 59.36	.6029	165.86	1.0155
Aggregate	48,648,527,635	423,004,494 11	265,639,581 88	62.79	.5464	183.13	.8665

TABLE V.

1 INSURANCE COMPANIES CHARTERED BY FOREIGN GOVERNMENTS.

YEAR.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	PERCENTAGE.
1872	11,139,126 63	10,540,548 34	94 12
1873	10,803,345 29	6,851,024 55	63 42
AGGREGATE.	22,002,471 92	17,391,572 89	79 64

2

YEAR.	EXPENSES PAID.	Percentage of Expenses to Income.	AMOUNT WRITTEN.	Percentage of Fire Losses to Amt. Written.	Average Rate of Premium on Fire Risks.
1872	2,844,533 46	25 39	1,218,925,983	.8647	1.08
1873	2,954,356 55	26 43	1,117,759,454	.6129	1.11
AGGREGATE.	5,798,890 01	26 35	2,336,685,437	.7442	1.06

BANQUET

IN HONOR OF

MR. CORNELIUS WALFORD,

OF LONDON,

GIVEN BY THE

FIRE AND LIFE INSURANCE COMPANIES

OF NEW YORK,

AT

DELMONICO'S, 5TH AVENUE & 14TH STREET,

OCTOBER 22, 1874.

New York:

PRINTED BY THE N. Y. ECONOMICAL PRINTING CO., 194 FULTON ST.

1874.

COMMITTEE OF ARRANGEMENTS.

HENRY A. OAKLEY,

President of the National Board of Fire Underwriters.

F. S. WINSTON,

President Mutual Life Insurance Company.

HENRY B. HYDE,

President Equitable Life Insurance Company.

MORRIS FRANKLIN,

President New York Life Insurance Company.

JOHN H. BEWLEY,

Secretary Universal Life Insurance Company.

CHARLES J. MARTIN,

President Home Insurance Company.

E. W. CROWELL,

Manager Imperial Fire Insurance Company.

GEORGE T. HOPE,

President Continental Fire Insurance Company.

Among the gentlemen present at the Banquet were :

HENRY A. OAKLEY, Prest. Nat'l Board, and Vice-Prest. Howard Ins. Co.
HON. O. W. CHAPMAN, Supt. Ins. Depart., State N. Y., (Albany)
HON. WM. BARNES, Ex " " " "
D. A. HEALD, Vice-Prest. Home Ins. Co.
B. S. WALCOTT, Prest. Hanover Fire Ins. Co.
JAMES M. MCLEAN, Prest. Citizens' Ins. Co.
EDGAR W. CROWELL, Prest. N. Y. Board of Fire Underwriters, and
Manger Imperial Ins. Co.
WM. H. ROSS, Manager Queen Ins. Co.
B. LOCKWOOD, Manager London Assurance Co.
EZRA WHITE, Manager North British & Mercantile Ins. Co.
A. J. SMITH, Prest. Manhattan Fire Ins. Co.
A. M. KIRBY, Asst. Secy. Continental Ins. Co.
A. B. McDONALD and E. F. BEDDALL, Managers Royal Ins. Co.
CHAS. J. MARTIN, Prest. Home Ins. Co.
CHAS. W. STANDART, Prest. Brewers and Maltsters Ins. Co.
HENRY A. HOWE, Prest. Niagara Fire Ins. Co.
E. ALLIGER and GEO. E. SCHOONMAKER, Managers Commercial Union.
HENRY B. HYDE, Prest. Equitable Life Ins. Co.
SAML. BORROWE, Secy. " " " "
JOHN E. DE WITT, President United States Life.
CHAS. E. PEASE, Secretary " " "
WM. D. WHITING, Actuary " " "
JNO. A. NICHOLS, Prest. Knickerbocker Life Ins. Co.
HENRY W. JOHNSON, Counsel " " " "
J. H. STUDWELL, Prest. N. J. Mutual Life Ins. Co.
ANDREW W. GILL, Prest. Guardian Life Ins. Co.
JOS. F. KNAPP, Prest. Metropolitan Life Ins. Co.
JNO. R. HEGEMAN, Vice-Prest. Metropolitan Life Ins. Co.
ROBT. A. GRANNIS, Secy. " " "
J. W. MERRILL, Vice-Prest. North American Life Ins. Co.
JAS. R. HOSMER, Supt. Agencies Globe Mutual Life Ins. Co.
H. WESENDONCK, Prest. Germania Life Ins. Co.
FREDK. SCHWENDLER, Vice-Prest. Germania Life Ins. Co.
C. DOREMUS, Secy. Germania Life Ins. Co.
HON. STEWART L. WOODFORD, Ex-Lt.-Governor, N. Y., and Counsel
Metropolitan Life Ins. Co.
HON. CHAUNCY M. DEPEW, United States Life Ins. Co.
HENRY H. HALL, Secy. National Fire Ins. Co.
THOS. H. MONTGOMERY, Genl. Agt. National Board Fire Underwriters.
PHILANDER SHAW, Secy. Phenix Ins. Co., Brooklyn.
GEO. T. HOPE, Prest. Continental Ins. Co.
J. MONTGOMERY HARE, Asst. Manager London Assurance Corp.
THEODORE R. WETMORE, Vice-Prest. Security Life, &c., &c., &c.
HENRY K. MILLER, Secy. of Executive Committee of National Board.
WILLIAM H. WISNER, Esq., of N. Y.



BANQUET.

IN HONOR OF

MR. CORNELIUS WALFORD.

After an informal meeting in the parlors at Delmonico's and a pleasant interchange of courtesies, the gentlemen entered the Dining Hall at 7 o'clock P. M., and were at once seated at the tables, which were richly spread, and beautifully arranged with rare plants, fruits, and flowers.

The last course having been removed, Mr. HENRY A. OAKLEY, President of the National Board of Fire Underwriters, Chairman for the occasion, arose and said :

Gentlemen of the Life and Fire Insurance Companies :

The occasion which has brought us together this evening is one of unusual interest, for not only has it been the means of assembling in such large numbers the representatives of the two great branches of Underwriting—Fire and Life—but we also publicly welcome to our City a gentleman well-known by his writings and efforts in behalf of our profession, whom it is the privilege of many to meet face to face for the first time.

I can therefore regard the present opportunity as a most happy one, as we lay aside for a time the cares and responsibilities of our respective offices, and assembling around this social table, enjoy that friendly interchange of courtesies which tend so much to alleviate the dullness of our daily routine.

At to-night we meet on especially neutral ground, for ^{HEF} honored guest has been so catholic in his writings and studies that we scarcely know to which branch of the profession to assign him. We can therefore both claim him. The great work to which Mr. Walford has devoted so many years of labor, and whose progress has enabled us to judge of its merits (I refer to his admirable "Encyclopedia of Insurance"), has been the marvel of the Insurance world, for its patient research and the accuracy of its articles.

I hail, therefore, with peculiar satisfaction his visit to this country, which I am glad to know has extended from ocean to ocean, and embraced nearly all the commercial centers, has afforded him means for a wider examination of the progress of the business of insurance, and we trust thereby enriching the future volumes of his valuable work. May not the information thus gathered also be the means of awakening among the Companies in the older country an increasing interest in our common profession, and teach them that unless they look well to their laurels, the child will soon outstrip the parent in all that relates to the great interests of insurance?

I will not detain you longer, but ask your attention while I propose the first regular toast of the evening:

Our honored Guest, CORNELIUS WALFORD, Esquire, of London, one who has, by his researches, thought, and industry, as an insurance writer and compiler, rendered great service to the Underwriting interests of the world.
We extend to him a hearty welcome!

Mr. WALFORD, in responding to this toast, which was greeted with continued applause, said:

Mr. President and Gentlemen :

If I were not deeply moved this evening, one of two things would be the case—I would be either more or less than a man. Being a man, I feel that not to appreciate your kindness here and elsewhere shown, would not be human; and yet to express that appreciation, would be an endeavor to stretch the limit of speech. Your words of encouragement are more than gratifying; for though I have tried, as an Insurance writer, to merit your esteem, I have had serious misgivings as to the measure of my ability and the results of my efforts. It has been a matter of extreme gratification on the one hand, though of some pain on the other, that you should form so high an estimate of my services. It seems to me that you have placed it so high that the realization will not be reached. The hospitality shown to me here seems to exhaust all hospitality shown upon the other side, and I feel as though I should fear to come again lest I might have done something not to merit the view you have formed, and that you should find that your present estimate of my labors must be modified. Yet, I hope to come again and trust I shall so labor as to be entitled to at least a measure of the consideration and esteem which you have shown to me on this occasion; but it seems inevitable that I should defer a second coming until the work in which I am engaged shall be completed, and your favorable verdict shall have been passed. These considerations will influence me to strive to deserve the good opinion you have so generously formed.

With regard to the branch of the business you represent, Mr. Chairman, I cannot say too much for the usefulness of your organization, for there is a determination and an ability here which I have never seen equaled in England, and an

excellence of management and extensiveness of operations in the Life interests, not to be surpassed in the civilized world.

Perhaps I may be permitted to make a few general observations.

When in California, I found an outbreak among the Life Companies in regard to the action of the Legislature, relative to their interests. I saw the Insurance Commissioner, Mr. Foard, several times and discussed the question with him. I cannot go into details beyond this—that I came to the conclusion that the Commissioner was using his best influence for the Life Insurance Companies, but was powerless to change the law. Mr. Foard, I believe, has acted according to his best light, and will be the first to help you in the matter of legislation, when a new opportunity is given, and I trust you will meet him in the right spirit.

One of the next cities I visited was Chicago. Chicago has a remarkable history. When there, thirteen years ago, the call was water—not fire. They were raising the city some six feet, and one of the questions was how to get a supply of water from the lake. The next time it was fire—not water—which was causing the excitement.

While there, it fell to my lot to make some remarks regarding the recent action of the National Board of Fire Underwriters on Chicago fire matters, and I felt it to be both my duty and pleasure to support the action of the Board. I did not believe it possible that gentlemen standing high in their profession, and having such large personal interests at stake, would err to so great an extent as was claimed, in a matter of such importance. I undertook to show that, while they felt that Chicago was not in a position to do all that the National Board required in this crisis, yet, in view of the circumstances, the action demanded was no more

than reasonable, and was based upon requirements which would be for the best interests of their city. I especially referred to the importance of the insurance interest to the commercial prosperity of a city, and ventured to suggest that, should they neglect the precautions which the Board deemed requisite, and thus be unable to secure sufficient insurance, their commerce would inevitably be diverted to other channels,—and perhaps find its way to *St. Louis*! And when I ventured to prophesy its possible passage in that direction, I was astounded at the impression made, and at the interest suddenly manifested.

Coming further East—to the City of New York—I can assure you that I have not lost time here. I had the pleasure of dining in this room last evening with the Fire Commissioners, and afterwards had the pleasure of inspecting the Fire Brigade, and a more efficient one I have never seen. I would not say that, with your precautions and your Department, it is impossible to have a large fire in your city; but after what I saw at the striking of the alarm—men in haste coming down stairs, dressing themselves on the way—I can assure you that, if it were my duty to rush down a stairway at forty miles an hour, dressing *en route*,—well, I would rather not! (Laughter.) These men seem to have acquired the *habit* of dressing while running.

Later in the night I introduced, by permission, a key into a fire box opposite the St. Nicholas Hotel, and before turning round, heard the alarm of fire, and almost simultaneously, as it seemed, the street was alive with engines coming from every direction to the supposed fire:—and when the true state of things was discovered, the exclamations of the guests of that Hotel heard were by no means flattering, and I knew not but my time for leaving New York had better be then.

Once more thanking you for the cordial reception you have tendered me, let me repeat the hope already expressed of being again among you, which occasion I trust will be to me as pleasant and profitable as this visit has been.

The President then read the second regular toast.

The National Board of Fire Underwriters and the New York Board of Fire Underwriters, organizers, educators, and disciplinarians of the theory and practice of Fire Underwriting in this country! They have demonstrated, by their past value and experience, the necessity for their future continuance.

Mr. D. A. HEALD, of the Home Insurance Co. of New York, being called upon to respond, said :

Mr. President and Gentlemen :

I can hardly conceive why I should be called upon to respond to this sentiment, unless it be from the fact that I was constituted a sort of god-father to the National Board some nine years ago when it was first organized, and I may therefore have been expected closely to watch its course, and to be in some measure responsible for its acts.

I have so often repeated what has actuated us in this movement that, I fear, the subject has become almost thread-bare, and that there is little left that is new to say concerning it.

I may begin, however, by alluding to the fact that, previous to the organization of the New York Insurance Department, the business of Fire Insurance was without any definite information with respect to its cost, and it was not until 1860 that such information as we were able to gather came to be regarded as the starting point for general principles, founded upon statistics, then for the first time in this country collated from different sources with this special

object. We had not before known, even approximately, on scientific principles, the value of insuring any class of hazards. Such was substantially the case when the Portland fire of '66 awoke Companies to the important fact that the time had arrived for some combined effort in the direction of an organization of this kind. With that and the fire of '45, and other conflagrations, as admonitions, we came together to form the National Board of Fire Underwriters. Other than the New York City Board, I do not know that there was, at that time, an active Board of Fire Underwriters in the country. The New York Board had, perhaps, little real value in it, as its rates were merely advisory. The nucleus of the National Board once formed, it has progressed with varied success until it has grown into the present efficient organization. I cannot give any better idea of the organization than I did in a little speech written out in 1869, and which was so good that it has been subsequently appropriated by President Oakley and incorporated in every National Board address he has since made!—(laughter),—even my figures he has put into all of his annual addresses from that time to this.

A few statistics may enable us to see the influence of the National Board upon the business in this country better than any thing I could say, had I the eloquence of my friend at the head of the other table:

These figures show a reduction in the rates of losses from $74\frac{7}{100}$ per cent. in 1866, the year of the organization of the Board, to $50\frac{2}{100}$ in 1869. A difference of over 23 per cent. in favor of the companies on over forty million of premiums is no inconsiderable advantage on the right side. The Board, as reorganized, is now doing for us the same good work, and the ratio of losses is again being reduced.

Now, I want no better evidence of the importance of

this organization to the underwriting interests than may be found in these figures.

In 1869 the Board began to show signs of weakness and decay. The fact was, we were making money, and had accumulated some reserves, when the weak-minded brethren began to kick and to show indications that they were not acting in good faith. When this comes to be the case in such an organization as the National Board we are powerless; for no Company is sufficiently strong in character to advance rates by itself on any single class of risks in the country. It is impracticable, and acting separately we are powerless to control, properly and safely, the interests of Fire Insurance in the United States.

The National Board has shown what it can accomplish by its action, both with reference to Chicago and Boston. One year ago the Fire Department of Boston was utterly demoralized; but to-day, mainly through the interposition, recommendations and influence of the National Board, they have a Department nearly equal to that of New York. We are now in a fair way of doing as much for Chicago, and the requirements recently put forth by the Executive Committee of the National Board, looking to the necessary reforms in that city, are to be regarded not in the interests of insurance companies merely, but as largely for the benefit of the citizens and property holders themselves. The best men of Chicago to-day ask us to hold to our position until the city authorities shall have taken the steps indicated, believing that these are of vital importance to the future of the city, of its people, and their prosperity.

Now, I might speak of what we have gone through as organizers and disciplinarians, but it would take too much time. The Board, however, is not entitled to all the credit. We have had disciplinarians to aid us. I allude to the

Commissioners of the Insurance Departments, *who are ever ready to correct our errors and lead us, if we wander, back to sound paying rates*, if we would avoid their calls to make good capital or bring up reserves to the legal standard.

I must not close without acknowledging in public the cordial hospitality which I received on several occasions when in England, at the hands of our worthy guest of this evening. I had the pleasure of entering his library—a library of insurance literature, law and other books, rare and valuable. I can feel that I have been in the very *workshop* of the gentleman, and can appreciate the amount of labor which he must have already bestowed upon the great work of his life. Of this work, and of the learning and patient research of the gentleman in the field in which he labors for the common interest and good of our profession, we may all say with one of old, “*Nam tali auxilio et defensoribus istis tempus eget.*”

The PRESIDENT: I will depart from the original order of the programme, and give next, the fifth regular toast, as the gentleman who has been requested to respond to it, Mr. George T. Hope will not be able to be present later in the evening:

The profession of Underwriting! Its recognition among the learned professions with its present progress can be only a question of time. Let us all strive to make it an honored profession in our land!

Mr. HOPE, of the Continental Fire Insurance Co., New York, said:

I do not propose to return thanks to my friend who presides here, for introducing the sentiment to which I am to respond out of its order, so as to prevent my

enforced early absence from relieving yourselves and myself from the penalty of uttering and listening to my response; and before that response is completed, it is not at all improbable that you also may be disposed to withhold any expression of gratitude to him.

What are the learned professions? They are more than I shall name to-night; but attached to them all, there are points in which our own profession is in entire accord with them. A learned profession is an intellectual occupation, having its established general facts and principles, and its students of these facts and principles, who are expected not only to succeed, but to surpass their predecessors and teachers. Such a business is this of ours. It no doubt has, as have other professions, its charlatans, men who are ignorant of the business they follow, but never overtake; too ignorant to know the audacity of their attempts, and whose ignorance is equaled only by their assumption; but it has also its earnest students, who dig deep to discover and comprehend its facts and principles, and, as they proceed, the magnitude and importance of their profession and its attendants grow upon them, until they are forced to the conclusion that they will never be able to become professors, if becoming so implies that they are to cease to be students.

We deal with facts of the grimmest character; we get our knowledge out of our experimental discoveries in relation to these facts, and by slow and laborious mental processes. Our text-books are yet few and incomplete, and we are here to-night to pay a tribute to our guest because of his patient and intelligent efforts to supply this want. We congratulate him on what he has done, and we wish him happy speed on the voyage he proposes to begin to-morrow, that he may, with renewed energy, betake himself to his task.

There are peculiarities connected with our profession that no text-books can altogether remove, and in respect to these peculiarities we are at a disadvantage with all of what are commonly accepted as the learned professions.

They are supposed to deal with fixed, immutable truth, old as eternity, and their purpose is to ascertain what are those truths, and to apply them for the enlightenment and good of mankind. The facts exist unchangeable, and professors and students have but to ascertain what are facts, and to understand and expound them.

In our business the combinations are constantly changing, and what was a proper basis for action twenty, or even ten years ago, is so no longer. If we had arrived at such excellence in the construction of buildings that uniformity should exist forever thereafter, and if our manufactories were carried on in the same manner, and in the use of the same articles through a succession of years, our labor would be greatly simplified.

As illustrations of the changes affecting our duties which have occurred since some of those still active began their work, contrast the mercantile part of this city to-day with what it was not many years ago; the buildings of twenty-five feet front by sixty feet deep, and three stories high, occupied on the first floor and cellar for business, and above by the family of the wholesale merchant, have given place to buildings of indefinite depth and height, leaving no vacant places in the centre of the blocks, and, I might add, not much space between their roofs and the clouds, and the merchants' families are now miles away from the warehouses, which are crammed from cellar to roof with merchandise.

The older risks partook much of the dwelling house hazard character, but now block after block is filled up without a dwelling among them. The old fashioned flint

and steel and tinder, often so reluctant to ignite, which some of us used when we were boys, have given place to friction matches, which require no effort greater than the rays of the sun to set them ablaze. The unfortunate (for Insurance Companies) discovery of petroleum, and its introduction into manufactories and for domestic use, has led to the burning up of a greater value than all of it that has been drawn from the earth has ever produced. It would be easy to name scores of such disturbances, but you know them as well as I do; and you also know that while efficient water works, steam fire engines, paid fire departments, and other elements of improvement have been necessarily introduced, which tend to counteract a portion of the growing hazards, yet the net result has been to increase the risks of burning, and especially of such destructive burnings as have blotted out large sections of some of our cities, and this is the case with this very city of New York, notwithstanding all that has been done by the agency of Insurance Companies to remove its hazards.

Those of us whose business it is to fight fire are at a disadvantage as compared with our friends present who are connected with the Life branch of the Insurance business. The increase of knowledge in modern days, the scientific and medical research, and sanitary discoveries and regulations, tend to promote longevity, and diminish the hazards of Life Companies, while with us the larger proportion of modern improvements and discoveries tend to make the fire risks greater. Underwriters who deserve the name are therefore constrained to an incessant and ever renewed investigation and analysis. As "eternal vigilance is the price of liberty" so here eternal vigilance is the price of success, and he who for a single decade rests upon the knowledge acquired at its beginning has been at anchor for

one half the period, and the tide of facts has swept past him. Inertness is no longer possible if a business valuable to the community is to be pursued. As a consequence the old system of selecting Insurance officers has given place to one of a very different character.

The Presidents of our offices are no longer selected merely for the heavy dignity which they used to combine with the most profound ignorance of the profession of Underwriting. Our active offices of to-day have no room for merely ornamental pieces. There are no "*born* Underwriters." We are more or less familiar with the development theory, and we might accept it but for the prodigious amount of faith it requires, and the apprehension that in the effort to follow in that leap "across the boundary of the experimental evidence" we might find a chasm too wide for our powers, and instead of landing upon solid ground on the further side, be left to sink in an intervening murky mistiness. Whether this theory respecting the origin and development of the race be accepted or rejected, we know that an underwriter cannot be the creature of unconscious development; neither snail nor oyster can ever be developed into an Underwriter; he must have brains to start with, and have them in constant conscious exercise.

There is, however, a phrase used by the votaries of the development theory that we recognize as appropriate to our business, "The survival of the fittest" is a fitting phrase to be applied to Insurance Companies.

Not in every case indeed do all of the fittest survive, for well officered crafts have gone down in the floods of flames which have so often visited us; but the general truth remains that the fittest survive; those who study their business with persistent application and devotion, who search for its profoundest principles, who recognize an obligation

to be worthy to live not only for the benefit of their stockholders, but as a duty to their policy holders, these are the fittest, and these as a rule are the survivors. Scores of Companies have gone to their death since the last great fire; and who pities them? Ignorant of their business, indifferent as to the adequacy of the premiums they charged, reckless as to the hazards they assumed, they but cumbered the earth, and the people are well rid of them; they will have their followers to the grave, but they will only go to be buried, and no Underwriter will shed tears over their death. The duty of studying the business cannot be neglected, and we give our cordial recognition to every one who adds to the general stock of knowledge, which is the product of investigation.

There are few of the learned professions that are without a broadly philanthropic character, and we expect from them a careful regard for the best interests of mankind in the matter of which they respectively treat. And so it is, or ought to be, with our profession. If any Underwriter is such for purely selfish purposes, he ought to be promptly retired as unworthy the guild. We stand always nearest the edge in disasters by fires; the first shock falls on us, but it is impossible for us to absorb it all within ourselves, and it is necessarily communicated to the whole community. If national wealth is a national good, it is of great importance to preserve it after it has been accumulated. Our guest will not deny that in one thing at least our country is pre-eminent over Great Britain or any other civilized nation. We do not enjoy the elevation, for it reminds us too keenly of the "bad eminence," which Milton declares the chief of the fallen spirit to have merited and achieved. The pre-eminence we have unfortunately secured is in the destruction by fire of our buildings and merchandise, our dwellings

and our manufactories. We succeed in burning up more than four times as much property, in proportion to what we have, as is burned in any other civilized nation. Who can do so much to arrest this destruction as the Underwriter? Who knows so well how it is to be done? Much has been done, and we rejoice in knowing that Underwriters have done much of it; but there is ample room for further improvement.

Our profession then being one of so high importance, the necessity of arresting this extraordinary drain upon the resources of our country, through the destruction of so much of its net earned wealth by fire being so manifest, the duty of having the Companies we represent grow stronger from year to year, to meet more fully the disastrous losses that are so sure to occur at no distant intervals, being admitted; these all demand that every intelligent and conscientious Underwriter shall strive to so conduct the business of his own Company as to benefit the community, and to make it fit to survive. To secure this he must make himself fit to live as an Underwriter. How shall he become so? By the possession and exercise, primarily, of the highest and most unflinching integrity, not towards his own Company, but also towards his fellow-Underwriters, towards the policy-holders of his own Company and to the entire community, and next, by the active use of close study, painstaking investigation, and a careful analysis of all the facts that come or can be made to come under his observation.

Such a profession, so conducted, is worthy of the highest efforts of able men, and has no room for sluggards or incompetents. The importance of a general acquaintance with, among other things, mechanism, manufactures, commerce, finance, and law, leaves no space for idleness to the conscientious student in our profession.

With earnest purpose, then, let us push on and accomplish the best we may, so as to leave a higher place and better knowledge to our successors than we found at our initiation in the business, sure that a life so lived, in a business so important, will not have been lived in vain.

MR. EZRA WHITE: I have heard with great gratification the gentlemen who have responded to the two last toasts, and if in order I crave permission to offer a volunteer sentiment. It is this:

The compact of the National Board of Fire Underwriters of the United States, as yet in its infancy—a germ. May it prove a success in comparison equal to the compact made on board the Mayflower in 1620, which, by the loyalty of its members, proved to be the germ of a great nation that all the world respects.

This sentiment was received with much applause.

THE PRESIDENT: I will now give the next regular toast. I may be pardoned, perhaps, for expressing the personal gratification I feel at seeing so very large a representation present from the Life Insurance Companies on this occasion.

The Chamber of Life Insurance, representing interests that have the best claims upon the beneficent and humanitarian spirit of our age. This branch of underwriting should be fostered and encouraged by all as the true benefactor of the widow and fatherless, and the promoter of thrift and prudence!

This will be responded to by MR. HYDE, President of the Equitable Life Insurance Company:

MR. Chairman and Gentlemen:

I think it was originally intended that Mr. Winston

should speak to this toast, but he was unable to be present. Not knowing that I was to respond I came quite unprepared, and therefore felt bad when Brother Heald brought out the facts and views upon which I might have spoken. Then when Brother Hope was making his fine remarks on integrity in Fire Underwriting I wanted to tell him that I had been in the Life Insurance business twenty-two years, and during that time never knew of a lie being told in the business! (Laughter).

Now, with regard to Life Insurance let me say this, that I know of no other institution, claiming to be purely business in its characteristics, which may be so beneficial as this. I would say that Life Insurance is Hope; and I believe Life Insurance men are happy—partly because they have got an honest Superintendent in the State of New York.

I will say one word with regard to Life Insurance as first known in New York City. I remember the New Life Insurance Co. in 1845, opposite the present Mutual Life, and the Connecticut Mutual Life on the old corner of Wall and William Streets. The Manhattan was on the site of the present Mutual Life. The Companies were then transacting a business of two or three millions a year, which was considered admirable. We had no Superintendent in the State of New York. We had very few statistics, for the admirable system of Mr. Wm. Barnes was not then instituted. Then, from 1863 or 1864 to the close of the last year, Life Insurance business was very active. I doubt whether we shall ever again experience such active years, and perhaps the time has come when Companies should do their business on a little different plan. The means then taken to get business would now be needless. Now we have our Department Examinations and our Statements. And as in the Fire branch, so with us, there

are many Companies found wanting, and certainly the fittest are surviving. I think more than the number named by the gentleman (Mr. Hope) have, with us, gone down one way or another. By the time another ten years have run on, I believe Life Insurance will have assumed quite a new position, which shall prove better for itself and better for its patrons.

And now let me say a few words with regard to our distinguished guest. I felt very much honored by the reception I had from him this evening. I had had the pleasure of meeting him on the other side of the water; and to-night, when I came into the room and went up to shake hands with him, he looked at me for a moment and said: "How do you do, Mr. Hope, I am very glad to see you." Now a man who can write a Dictionary should be very accurate, and I was indeed surprised that he should take so plain a man for Mr. Hope. (Laughter.)

When the gentleman was speaking of California I was reminded of being there some years ago, and when out on the plains, going at the rate of twelve miles an hour, I saw an old fellow sitting there with yellow beard and yellow hat, and I said to him: "Slow work, this." He looked at me for a moment and said: "Stranger, I have *walked* over these plains from the Missouri river to the Ocean, and we are going a great deal faster than we did then." When my friend visited the Superintendent of the Insurance Department, did he think that, slow as we are now moving, our progress is great compared with that of a few years ago. I am glad to hear that the Superintendent there does not represent the Legislature in their views.

I will not detain you longer but wish our distinguished guest a pleasant voyage and a safe return home.

The PRESIDENT then read the next regular toast, and called upon Mr. Chapman, Superintendent of the New York Insurance Department, to respond.

State Supervision! Wisely administered of inestimable benefit to all who desire the perpetuity and thorough stability of the great interests of Insurance!

Mr. CHAPMAN then said:

Mr. President and Gentlemen:

I confess to feeling embarrassment which I do not often feel, at being called upon, in the presence of this assembly, and after the able speeches that have been made, to offer remarks upon any subject; and I think that you will agree with me that I have the right to be embarrassed when called upon by you, Mr. President, to speak to this toast. What do you expect me to say, Gentlemen of the New York City Board, of the National Board, and of the Chamber of Life Insurance, in connection with this subject of State Supervision? It seems to me that this was the last thing in the world with regard to which I should have been called upon to speak. I turned over in my mind the most likely subjects upon which you might wish me to say something. I thought of the general subjects of Fire and Life Insurance, presuming that these gentlemen are all nearly or remotely connected with the one or the other, and I might perhaps have been able to have said a little in either direction;—but State Supervision, it seemed, as I said, the last thing in the world for me to speak upon.

Then I had no advices that anything of this kind was going on. I called on one of my friends this morning, to

know what the programme would be, and what was to be my part, and he assured me that nothing of the sort would be in order. (Laughter.) Nor could I get from the President, here, the slightest intimation of what might be expected of me until this moment, when I have thrown down before me the subject of State Supervision.

I assume that these gentlemen must be connected with the Democratic party, because you remember when they met in convention at Syracuse they put in blank votes. Then this idea occurred to me that, inasmuch as the Grange movement is cropping out everywhere, possibly all the gentlemen connected with Insurance are becoming Grangers; but not quite satisfied with this, finally my friend on my right, Mr. Heald, explained the matter better than any one else when he assured me that there would be *something to eat*, and, of course, you are always ready to be supervised under these circumstances.

But I apprehend there may have been a view beyond all this,—that of giving our distinguished guest, so soon to pass to the other side of the water, an opportunity to meet the Insurance men on this side, and to learn that they are in favor of the doctrine of State Supervision *wisely administered*. Supervising officers may make mistakes; but I believe that among the Superintendents of Insurance Departments there is an earnest desire to wisely administer the offices they hold, as much so as there is to be found anywhere in any public offices. It seems to me, gentlemen, that the wise administration of the doctrine of Supervision will do much for your advantage and for the people's security; for these are but different terms for the same thing. I believe that, while we may not to-day do precisely the best thing, there is yet an inclination among all the departments to elevate the tone of the business, and I think I

speak advisedly in saying that there is a desire in every department to relieve burdens just as rapidly as possible, and preserve the interest and security of all. It seems to me that a good step toward the fulfilling of this desire is the bringing of the Insurance Departments together in National Conventions, enabling them to become familiar with the methods and advantages of each other; and the opportunities thus afforded for the consideration of theories and practices, you will find invaluable in suggesting the best measures for adoption. The heads of departments ought to succeed in getting their affairs into such shape—we are not ready for it yet—as that in time every Insurance Department will be able to supervise strictly in the interest of the safety of the Insurance Companies of its own State. We may fail, but it seems to me possible. We have not yet reached the point, but are we not going in that direction? Is not the time coming when we can take that position before the people and the country, and give to the Superintendent of a single State the work of correcting the condition of the Companies of his own State? May we not work in this direction, and, in time, allieve some of the burdens, as it becomes apparent that they are unnecessary?

It gives me great pleasure to be here this evening, to meet our distinguished guest. In the Fall, when he passed through the City of Albany, I was away and did not have the pleasure of meeting him there. This occasion has given me the opportunity of seeing him and many other gentlemen. I know that you all wish with me that the gentleman may have a safe and prosperous journey back to his own home, and I trust he will carry with him kind recollections of the people on this side of the water.

The PRESIDENT: Before I give the next regular toast

I beg to ask your indulgence while I read a letter from the
Massachusetts Commissioner of Insurance :

“ COMMONWEALTH OF MASSACHUSETTS INS. DEP'T,

“ 33 Pemberton Square,

“ BOSTON, *October 22, 1874.*

“ HENRY A. OAKLEY, Esq.,

“ *Chairman Committee of Arrangements.*

“ DEAR SIR :

“ Your favor of the 20th inst., enclosing an invitation to the Complimentary Dinner to be given to Mr. Cornelius Walford, in New York, on the evening of the 23d, is duly at hand. I should esteem it both a privilege and a pleasure to participate with you and others in the tender of courtesies to a gentleman so deserving of thanks and gratitude from the Insurance world as Cornelius Walford. But pressing engagements in my own State will deprive me of the opportunity.

“ During Mr. Walford's recent visit to Boston, his friends were glad to recognize, in a similar manner, his great services in the interests of Insurance—services which, in both hemispheres, have won for him merited fame and grateful appreciation ; nor need I add that the occasion was one of genuine enjoyment and profit.

“ Knowing from personal presence and association, in some of the principal cities of Europe, the high estimate in which his labors are held abroad, and having enjoyed the elegant hospitalities of his own home, I rejoice that you and other Americans have so favorable an opportunity of seeing and knowing him here.

“ Hoping that the social interchanges which you contemplate will prove to you all a source of pleasure and benefit,

“ I remain, very truly yours,

“ JULIUS L. CLARKE,

“ *Ins. Com'r of Mass.*”

The President then also read letters from the President of the Mutual Life of New York, the President of

the New York Life, Charlton T. Lewis, Secretary of the Chamber of Life Insurance; the Managers of the Liverpool and London and Globe, the Scottish Commercial, and the Hamburg-Bremen Insurance Companies, the Vice-President of the Insurance Company of North America, and the President of Franklin Fire Insurance Company of Philadelphia, expressive of their regret at necessary absence.

The PRESIDENT: I have the pleasure of asking your attention to the next regular toast of the evening, and I beg to call upon Hon. Stewart L. Woodford, a recent Member of Congress, to respond.

United States of America and Great Britain, united by the common bond of language, christianity, and civilization! May the union be more firmly cemented as years roll on!

Mr. WOODFORD responded, alluding humorously to both Life and Fire Insurance Companies, and passing to the sentiment of the toast, spoke eloquently of the bonds uniting the two countries in common interests. He referred to the action of the last Congress, to which he had given his earnest support, in adopting, in connection with Great Britain, the plan of arbitration for the settlement of national and international differences, and said that in such action he saw hope for the future. It was his sad lot, during the late struggle for the preservation of the American Union, to spend some years in the army, when the terrible results of the experience through which the nation was passing, forced themselves upon him, and he realized, as he could not otherwise have done, how great a boon arbitration, had it been possible, would have been in that case. And substituting Arbitration for War between nations, the world's

millennium would have come, and the dream of the Master upon the hills of Galilee be realized.

The PRESIDENT announced the next toast as follows :

The State of New York, foremost in enterprise, capital and intelligence, the giant among States !

At the request of the President, Mr. CHAUNCEY M. DEPEW, late Secretary of State of New York, responded, first pleasantly alluding to the circumstance, occurring again and again, from a period too remote for him to recall, of its being his misfortune to follow the eminent gentleman who had just addressed them ; and he felt like leaving it to the sense of the assembly what he could possibly be expected to say to gratify them after they had been carried thirty-five thousand feet high, more or less, by the gentleman's eloquence.

Mr. Depew then explained, amid great merriment, how it had fallen to him to speak to the sentiment of the toast ; how it had been expected that his friend Borrowe would have responded to it ; and how, on entering, this friend had intimated that he would like a little private conversation with him, when he had taken him into a dark corner and given him the outline of the speech which he had intended to make, but which he (Depew) was now about to deliver. Having given his friend Borrowe's remarks with amusing emphasis, Mr. Depew continued :

The State of New York is the Empire State indeed, and a State of great and growing wealth. If it had not been for the State of New York where would have been the institutions which these gentlemen represent here to-night ? How significant is her position, holding within the hollow of her hand the metropolis of this great continent,

which is at once the center both of its financial and commercial importanee, so that here are built up and fostered the institutions which give strength and protection to business enterprises over the whole country. Prominent among these is the insurance interest, and when Fire Underwriters declare that certain measures are necessary for the proper protection of property in Boston, that provincial town finds itself forced to submit; and when they decide what is for the ultimate good and prosperity of Chicago, that young goat of the West may kick up its heels, but it must succumb to the decree signed by Oakley, President of the National Board of Fire Underwriters. (Applause.)

Now then, sir, I trust that when our distinguished guest returns to Great Britain he will bear this in mind that we recognize him as being as much ours as he is theirs. We claim Shakespeare as our own; we know that Milton belongs to us as much as to England, and no great idea expressing the belief, and shaping the thoughts of the two great nations but tends to unite each in the interest of the other, and both in the progress of the world in which we live. I trust that he will bear over with him to the other side this fact, that these Companies of the State of New York, representing as they do millions of dollars, are intelligently within their spheres welcoming all honorable competitors. I believe it is a fact that there has never been in the Legislature of the State of New York an attempt made to restrict the operations of foreign Companies; and I trust he will bear with him also this, that the Companies of our Empire State, the Companies of the Chamber of Life Insurance, and the Companies of the National Board of Fire Underwriters—the two representative bodies of this great interest—are organized for the purpose of securing equality of laws, equal justice, and equal rights for all.

Mr. E. W. CROWELL, Manager of the Imperial Insurance Company, spoke to the next toast announced by the President as follows:

Our Brethren of the Foreign Fire and Life Insurance Companies! We extend to them the right hand of fellowship; ever honorable competitors, they have earned our confidence and esteem. 'Long may they remain amongst us, to their own profit!

Mr. President :

I must say that I am not a little embarrassed in being asked to respond to that toast, when I expected and had prepared myself to speak to another sentiment. I supposed that I was to speak as the representative of the New York Board of Fire Underwriters, of which I am the presiding officer, until informed that the programme was slightly changed.

I feel now, Sir, as though I could sit down without saying a word, and rest my statement upon the speeches already made. I may, however, state very briefly something in connection with the sentiment of the toast.

The Foreign Companies, eleven in number, have come here under circumstances of varied peculiarity. They have come here one by one as honorable competitors. They have come here representing capital, and as capital has made them conservative, they endeavor to conform to all the conservative practices of Underwriting. Their large capital made it important that they should do nothing to the discredit of the business. They recognize the fact that this country is a field which presents itself for the fair competition, for the fair ability of every one of the Companies here, and it is a matter of great satisfaction to myself, of

great satisfaction to our compeers in the business, that the Foreign Companies have been able, by their presence, to conform to those established rules which are believed best to conserve the interests of the business in this country.

As I said, I expected to speak upon another subject. I had prepared some remarks on "The New York Board of Fire Underwriters, the child of the National Board of Fire Underwriters." But I am very happy to be relieved of the task of explaining how the child preceded the birth of its father by a great many years—in fact, the New York Board officiated at the birth of its father. It furnished the family physician and the baby clothes for its illustrious daddy, and it has given its distinguished parent not a few instructions upon important matters.

The PRESIDENT: It is merely an illustration of the axiom, that "the child is father to the man." (Laughter.)

Mr. CROWELL, resuming: I am one of the youngest members of the representatives of Foreign Companies, and therefore feel as though others would do better justice in responding to this toast than I can. I have been asked whether I am a Yankee. I am under the impression that such is the case. But I am glad that this toast has been given, and Yankee or not, respond to it with pleasure. As already intimated, I think the Foreign Companies are by their course conserving the great business which you, gentlemen, represent in this country. The experience of the past two years has established this fact, and I say here to-day, that it is the purpose of the foreign Companies to adhere to the theories and practices which have been proven to be correct, and to maintain those principles known to be pre-eminently sound. Some, alas, may in some instances have departed from these principles in attempts for business, which may have led superficial ob-

servers to wrong conclusions, but I think, as we settle down, we shall have fewer difficulties of this kind to contend against, and that we shall be better prepared to meet each other and those outside in the great field of fair and honorable competition for the business of the world. That the foreign Companies came here in that spirit I do not hesitate to state on this occasion.

And now, I hope our honored guest will carry back with him the sentiments prevailing here to-night. I am glad to see a gathering of this kind composed of brethren from both sides of the Atlantic, and to see the Lion and the Eagle lie down together and be a happy family. I desire that our friend shall have a successful voyage through life, and a pleasant and quick return to his home. I trust that many pleasing associations may cluster about the memory of his visit to our shores, and that we shall all live to see him return at some future time. And I hope that he has had reason, during his present visit, to appreciate this country, this people, and the principles which govern us, and that he may never have cause to change or disturb this good opinion in the future.

THE PRESIDENT: Having now completed the regular toasts, it is with pleasure that I announce to the assembly that we have with us to-night a veteran in the business of insurance supervision, a gentleman, with whom the Insurance Companies of New York are not unacquainted, Mr. William Barnes, ex-Superintendent of the N. Y. State Insurance Department, and from whom all will, doubtless, be glad to hear.

Mr. BARNES, who, on rising, was heartily applauded, said :

Mr. President and Gentlemen :

I do not propose at this late hour to detain you but a very few moments. I participate with great pleasure in paying honors to the distinguished guest of this evening, and I beg to express my gratitude for information received from the results of his labors. I well recollect that Insurance Hand Book, published by him, and have no doubt that its success led to the idea of preparing his new and vastly greater work. I feel great interest that his trip to this country should restore him to perfect health, and I rejoice with you that this appears to have been one of the effects of his journey.

And, Mr. Chairman, I have great pleasure in meeting you here this evening. I have been present with you on other occasions, and on some of those occasions faces—familiar faces—were with us, which are not seen here to-night. There were the well-known faces of Mr. Stansbury, Mr. Jones, the first insurance editor of the city, Mr. Adlard, and others whom you will recall, now passed away from among us, but the memory of whom we cherish and by whose work we have been benefited.

I was very glad, Mr. President, to hear it suggested by some of the largest Fire Underwriters in the State, that in the business of Fire Insurance they had come to the conclusion that the interest of Companies, the interest of capital, would be best subserved by an endeavor to subserve the interest of the public, and I have no doubt that as soon as both Life and Fire Underwriters work with that truth in view, they will be on the road to prosperity. For I do not believe that Life Insurance is a mere *business*; that ultimate success can be reached by disregarding the interest of the public. You cannot utterly shuffle off your obligations to the country and your kind, and still be received into the

hearts of the great American people. And when you, Fire Underwriters, inaugurate measures which lead to the better construction of buildings, better means of protection, and therefore to the prevention of fires,—when you take grounds with regard to Chicago, insisting on the adoption of measures for the protection of her treasures, I cannot doubt that you are also pursuing the best policy for yourselves, and that the result will be, in the end, the making of more money for your Companies.

'So with reference to Life Insurance Companies. If the people generally understood more perfectly the laws of health, the best modes of living as to their food and in their homes, if the sanitary condition of cities were perfected, these and kindred reforms must tell for the better upon the average of human life, in which Life Insurance Companies are directly interested, and I submit to you whether anything which they could do to have such laws better understood and to inaugurate such reforms would not be a work in the interest of both the public and themselves?

But I do not propose to continue my remarks. In closing, the idea is suggested to me that, arduous as have been and will be the labors of our distinguished guest, he is not alone. There are noble workers everywhere; and while we yield gladly the great credit due him, we must not withhold from the others that belonging to them. The hard-working clerk, the quiet official, unheard of perhaps outside of their daily routine; the noble hard-working wife or mother at home, bearing their part of the burdens and honest work of life, are all entitled to credit and remembrance. Let me, in closing, beg that you will all join with me in a toast to the estimable and accomplished wife and help-meet of our distinguished guest.

Mr. WALFORD: I am obliged for the kind sentiment, and thank you in behalf of my wife. Allow me again to express my gratification at meeting you all under such pleasant circumstances, and my heartfelt thanks for this kind reception.

It is customary in my country to propose the health of the presiding officer at the close of the evening's festivities, and I am sure you will all thank me for doing it on this occasion, for I feel that he has contributed, by his admirable manner in presiding, very much to our enjoyment. I give the health of the Chairman, Mr. Oakley.

The toast having been drunk, the CHAIRMAN briefly returned his thanks, and the small hours having arrived, the meeting broke up after the guests had wished Mr. Walford a God-speed on his journey home.

National Board of Fire Underwriters.

EXECUTIVE COMMITTEE ROOMS.

New York, March 4, 1875.

The following correspondence was submitted at the meeting of the Executive Committee, of this Board, held on the 25th and 26th ult., when a resolution was adopted to lay the same before our companies, in circular form :

NEW YORK, February 17, 1875.

HENRY A. OAKLEY ESQ.,


Dear Sir :

At a meeting of the National Board of Fire Underwriters, held at their rooms, on Thursday, 23d day of April, 1874, Vice-President Hendee in the Chair, the following resolutions were unanimously passed, viz. :

Resolved, That the National Board of Fire Underwriters desire to place on their records their sense of the self-sacrificing labors of their President, Henry A. Oakley, Esq. They feel that to him is due much of the present efficiency of the Board, and, while they have tendered to him the highest compliment in their power, that of re-election, they wish further to present him with a suitable testimonial of their respect and confidence, as well as appreciation of the gratuitous services rendered.

Resolved, That a committee consisting of Messrs. Hendee, McLean, and McDonald be appointed to carry into effect the above resolution.

The undersigned, as such Committee, take pleasure in transmitting to you the enclosed check for Five Thousand



Dollars, which amount was most cheerfully subscribed by the several companies of the National Board, under the above named resolution.

The Committee convey the testimonial to you in this form in the belief that it will be more agreeable to you to so receive it, and beg to add their own personal wishes for your good health, and that you may be long spared to continue in your extended field of usefulness.

L. J. HENDEE,
A. B. McDONALD, } *Committee.*
J. M. McLEAN.

NEW YORK, *February 23, 1875.*

MESSRS. L. J. HENDEE,
A. B. McDONALD, AND
J. M. McLEAN, *Committee.*


Gentlemen:

I have the honor of acknowledging the receipt of your letter of the 17th inst., with its very substantial enclosure. The form in which the testimonial reaches me is very acceptable, and the fact that it was contributed to by so many of my associates in the National Board, and with so much of heartiness, adds greatly to my appreciation of it.

I accept it in the spirit in which it has been given. It is only another proof of the great kindness with which my efforts in behalf of the National Board have been characterized by the members of that body. You will pardon me for saying, that in all my acts as its President, I have ever striven to keep in view the interest of all its members, without regard to section or capital, that I have been measurably successful is due, in good part, to the co-operation and hearty good will shown in seconding those efforts.

I have faith both in the permanence and utility of the National Board,—it has already done a good work for the cause of Insurance, and yet its career has but just begun.

Please convey to my kind friends who have contributed



to this testimonial, my best thanks; and for your own pleasant expressions and good wishes, I am most grateful.

Believe me, I fully appreciate them all, and I shall ever recall this act, and the resolutions passed at the last annual meeting of the Board, as one of the brightest of my many pleasant memories of our association together. It is an encouragement to persevere and strive for the right, and shows that amidst the competitions and strifes of the world of business, there is still room for kind acts and thoughtful consideration for those whom your partiality has placed in positions of peculiar responsibility and care.

Very faithfully, your friend and associate,

HENRY A. OAKLEY.

*Expressing the pleasure I take in transmitting the
the above,*

I am,

Respectfully,

A handwritten signature in cursive script, reading "H. A. Montgomery". The signature is written in dark ink and is underlined with a simple horizontal line.

General Agent National Board.

5

ADDRESS OF
PRESIDENT HENRY A. OAKLEY,
TO THE
National Board of Fire Underwriters
OF THE UNITED STATES,
AT THE
NINTH ANNUAL MEETING,
HELD IN THE
City of New York, April 22, 1875.

New York:
CHARLES H. CLAYTON & Co., PRINTERS AND STATIONERS,
157 and 159 Pearl Street.
1875.

ADDRESS.

*Gentlemen of the National Board of
Fire Underwriters.*

Mr. Chapman, Superintendent of the New York Insurance Department, in his annual report, says that "the year 1874 was an exceptionally prosperous one to insurance interests, but especially was this true of those companies that had been wise enough in preceding years to get ready for it." This, then, is the text upon which I propose to present, for your consideration the many experiences, trials and vicissitudes of the past year, a year of greater trial to our Board, because of its exceptional prosperity, than even the sternest adversity could have brought us. In our business we are obliged to reverse the old axiom, "that fair weather brings fair sailing," for to us, fair weather invariably leads to breakers and quick sands, because our pilots too often shut their eyes to the fact, that even the brightest sky may be but a warning of coming disaster, and instead of scudding before the wind it is better to keep a good lookout ahead, lest the tempest overtake us unawares.

I have been led to these reflections by a careful study of what has been done for the common interest during the year whose close has brought us here to-day. The prosperity then of to-day is the result of the wise plans, the conservative principles, the extensive reforms and well adjusted rates which have been instituted and sanctioned by the Board during the last three years of

its active existence, and without which there would have been no cause for congratulation. It is a legitimate fruit of good faith among its members, never more strikingly exhibited than during the past year, which has been marked by events of more than ordinary interest to the insurance profession.

As the Board progresses in its work, it finds greater demands made upon it. It has fairly earned its title of National, for its influence for good has extended from one end of our great territory to the other. It has inaugurated reforms in many things heretofore neglected by our citizens, resisted grievous and oppressive laws, corrected abuses in public bodies, reformed the construction of many towns, secured the establishment of salvage corps, and improved water facilities, and revolutionized fire protection in many places. Perhaps it may be said that in doing all these things we are putting in the hands of the people the very weapons they can use against our rates of premium. But this is not so. In no other country is the waste of the industrial force of its people so great as in the United States, where the annihilation of property by fire is almost beyond calculation. These fires are a drain upon the resources of our people; the mere fact that most of the property is covered by insurance does not relieve the whole country of its loss. I apprehend that if our political economists would look at this wholesale yearly destruction of property, they would find in it, one of the primary causes of embarrassments in trade and unsettled money markets. *Every great fire is a loss to the nation of so much of its real wealth, and this cannot take place without its effect being felt in time by the whole body politic.* Now, a part of our mission, as I understand it, is to reduce or put a stop to this great waste, and every improvement or reform successfully carried out has this result. It is no part of the business of insurance companies to charge and receive exorbitant premiums for carrying risks, we only desire such as are reasonably remunerative to

capital. Rates of premium in England, France, Italy, Switzerland and parts of Germany are much lower than in the United States. Companies, at the low rates of those countries, find their business profitable; and why? Because the superior construction of their cities, their rigid laws and constant watchfulness prevent spreading fires. Therefore, I hold that this Board is pursuing its wisest and most intelligent course, when it seeks to reduce the hazards of the business to a minimum. Should we ever reach such a result, we could dismiss all fears of another Chicago, Boston or Portland. Your intelligent labors for this end must go on; we need them more and more as our mission is better understood, and though the demand upon us is growing daily, yet I cannot but think that success through a long series of years lies in this path, and if we build wisely, the structure will in due time reach graceful proportions.

For the first time in the history of our organization, we are called upon to record the death of two of the active members of the Board, Messrs. John Kingsbury and Edward G. Turner, both of Providence, Rhode Island. They died in their native city, in January last, within a few days of each other.

Mr. Kingsbury, President of the Providence Washington Insurance Company, you will remember as a punctual and interested member at all of our gatherings since 1866. He was an early and earnest friend of the movement, and served from 1866-70 upon its Executive Committee. To me he was a dear personal friend, whose kind and wise counsel I was always glad to receive, and by which I have often profited; gifted by nature with fine intellectual powers; he was a scholar of extensive classical and scientific attainments; as a citizen he was placed in positions of public trust, and honored them all by his fidelity and uprightness; while, as a Christian and a philanthropist, he leaves a bright example of true faith and a consistent well spent life. He died full of years, like a well garnered sheaf of grain.

Mr. Turner was President of the Equitable Fire Insurance Company, and was a public spirited citizen, who had filled the gubernatorial chair of his State in 1859-60 with honor. As a member of our profession he was not so well known to most of you, but he always took a lively interest in our deliberations and progress, as was evidenced in his constant correspondence with me.

I trust that the Board will see fit to take action ere the session closes in reference to the death of these respected friends and members.

RESULTS OF BUSINESS.

In considering the business of 1874, we are met at the outset with a result so different from that of former years, that we are called upon to instigate close and careful scrutiny into the causes which have produced it. The year, as is well known to all, has not been one of success or encouragement to either merchants or manufacturers, those two great representative classes from whom we derive so large a share of our patronage, while the agriculturist has been barely compensated for his outlay; for although the crops have been abundant, a lack of a market and low prices have resulted in but moderate profits; then, again, we had to contend with a large shrinkage in the value of real property as compared with former years. Under similar circumstances heretofore we have had to look for diminished profits to the capital employed in fire insurance.

I have made a careful analysis of the business as presented by the official report of the New York Insurance Department, (to which we are again indebted for an early publication of the reports made to it,) embracing the returns of 184 American and 14 Foreign Companies, a larger number than any other State reports. The result of this examination I give in the several tables which now embrace the experience of the companies from 1859 to 1874 inclusive, a period of sixteen years.

We find, as will be seen, an increase in the dividends, a decrease in the losses, an increase in the expenses, and an increase in the assets held by the companies, certainly an apparently favorable result. But let us examine the tables to see whether this result is not exceptional, and therefore not to be considered as a test for the future.

TABLE NO. 1—DIVIDENDS.

The capital employed for the year was \$53,052,190, an increase of \$2,715,124 over 1873, and in excess of any year comprised in the tables. The dividends of the year on this capital averaged $12\frac{73}{100}$ per cent.

New York State Companies making $12\frac{40}{100}$ per cent.

Other State Companies..... $13\frac{05}{100}$ per cent.

As compared with 1873, it shows the large gain of $4\frac{83}{100}$ per cent. New York State Companies gaining $3\frac{94}{100}$ per cent., and other State Companies $4\frac{81}{100}$ per cent., while the average of dividends for the 16 years is $10\frac{60}{100}$ per cent. per annum, against $10\frac{44}{100}$ per annum, the average of the fifteen years, a gain of $\frac{16}{100}$ of one per cent.

It is an interesting fact to note that the per centage paid by New York State companies for the year has only been exceeded during one year (1859) of the previous fifteen, while the per centage of other State Companies for the year falls below those of the years 1859, 1860, 1862, 1863, 1865, 1869 and 1870. The whole sum paid out to stockholders during the sixteen years amounts to \$71,621,483, or an excess of \$24,423,105 beyond legal interest on the capital stock. As during the same period \$11,235,006, has been called to make good impairments and reductions of the capitals of existing companies caused by the serious conflagrations of 1871, 1872 and 1873, and capital to the amount of \$13,843,953, (exclusive of that of the Boston local companies,) has been entirely sunk, the record cannot be considered as encouraging for the holders of insurance stock.

TABLE NO. 2—PREMIUMS AND LOSSES.

The per centage of losses paid to premiums, received during the past year, was for

New York State Companies.....	38 $\frac{81}{100}$
Other State Companies.....	46 $\frac{87}{100}$
Foreign Companies.....	41 $\frac{36}{100}$

The aggregate average of American Companies for the year was 42 $\frac{76}{100}$, against 59 $\frac{36}{100}$ in 1873. The average for the year, including Foreign Companies, was 42 $\frac{60}{100}$, against 60 $\frac{06}{100}$ in 1873. For the sixteen years we have an average of 60 $\frac{63}{100}$, against 62 $\frac{79}{100}$ for the fifteen years.

The amount of Fire premiums received

during 1874 by American Companies

was.....\$51,088,826

And by Foreign Companies..... 10,556,377

In all.....\$61,645,203

Or a decrease of \$1,173,863, or about 2 per cent. as compared with 1873. Of this amount there was paid out for losses \$26,199,314, a decrease of \$11,532,320 as compared with 1873.

In addition to the above amount \$5,400,877 was received by the same companies for inland and marine premiums, and \$3,564,598 paid out for losses thereon, or an average of 65 $\frac{89}{100}$ per cent. of these receipts.

The total receipts for premiums were \$67,046,080, and the total losses paid \$29,763,912, or 44 $\frac{89}{100}$ per cent.

TABLE NO. 3—EXPENSES.

The per centage of expenses upon the whole premiums received in 1874, was 33 $\frac{15}{100}$, against 30 $\frac{46}{100}$ in 1873, an increase of 2 $\frac{67}{100}$ per cent.

The whole amount paid for losses on fire

risks in 1874, as previously stated, was \$26,199,314

For inland and marine losses..... 3,564,598

For expenses..... 20,545,692

Total payments.....\$50,309,604

or $75\frac{98}{100}$ of the receipts of the companies for 1874, showing an apparent excess of \$16,737,484, to which there is to be added for interest on investments \$4,457,964, and from which there is to be deducted for dividends paid \$6,756,221, and profits to foreign companies \$3,313,777, giving us a net addition to the assets of American companies of \$11,025,450 to replace the losses upon the business of 1871 and 1872, against which, on the 1st January, 1874, there was a balance of \$3,615,311, leaving the sum of \$7,410,139 to be contributed towards repaying the losses of capital by stockholders as previously stated in Table No. 1, but still leaving a debit balance of \$3,824,867 to be made up from the profits of future years..

TABLE NO. 4—PER CENTAGE OF ABILITY.

This table shows an increase from $165\frac{86}{100}$ in 1873, to $\$239\frac{01}{100}$ in 1874, of the ability to write on the part of American companies, a large gain, bringing up the amount above that of 1868, but not to that of 1861, 1862, 1863 or 1864, during which years it averaged $\$287\frac{24}{100}$. We also find by this table that the average rate of premium obtained, which, since 1871, had steadily advanced, is again falling below 1 per cent., being for the past year $\frac{9786}{10000}$. The reductions already made throughout the country will seriously diminish this ratio the present year.

It will have been noticed that the per centage of loss to premiums has diminished during the past year nearly 17 per cent., the ratio being smaller than any year since 1859, except 1863. This result is due mainly to the remarkable exemption from severe loss in the city of New York during 1874, an exemption so marked, that according to a recent report presented to the New York City Board, "the average of loss for 1874 is only about one-third of the average of the previous ten years." If, therefore, we deduct from the premiums received and the losses paid, the business of the City of New

York, which we are able to do from the official returns, we have an average for the rest of the country of $46\frac{11}{100}$ per cent., an increase of $3\frac{61}{100}$ upon that of the aggregate result of the year.

There is a class of companies that do not seem to have partaken of the general prosperity to which I have alluded, and that is the farm property companies, the average of whose losses was $56\frac{28}{100}$, or more than 18 per cent. greater than other New York companies, notwithstanding one or two of them had exceptional results, but on the other hand one decided to discontinue business, and wind up on account of the unprofitableness of the business. The secret of this lies in the inadequate rate at which this class of companies have written their risks. We cannot omit calling attention to the fact that those of this State, on an aggregate capital of \$1,100,000 and net assets of \$1,236,568, have a liability for risks of \$438,584,000, while the two leading agency companies of the country, with \$7,675,000 of net assets, have a liability of only \$625,000,000, or more than six times the assets with less than fifty per cent. of the liabilities.

CHICAGO.

No event of the past year has been so prolific in discussion or caused so wide a difference of opinion as the action taken by your Executive Committee in the latter half of 1874, in reference to the city of Chicago. The immense losses sustained by the National Board companies in that city in 1871, and the apprehension that that fire might be supplemented by another conflagration almost as disastrous in its extent, seemed to be well founded, when, by a fire on the first of June, the warehouse of Wells & Co., on Market Street, was totally destroyed. This event, alarming from the circumstances connected with it, led to a conference among individual companies doing business in that city, as it was felt that some extraordinary cause must exist for such a result. At the solicitation of these companies

the President of the Board caused an inspection of the means of fire prevention to be made to furnish members with reliable information as to the means of protection possessed by the city. The inspection was carefully and impartially made by disinterested and entirely competent persons, and the result was communicated confidentially to the officers of the Board on the 1st July, who deemed it of such great importance that it was decided to lay it before the Executive Committee at their regular meeting on the 21st July, for consideration and action. Before that period arrived the whole country was alarmed by the occurrence of the fire of July 14th. This fire fully justified the sharp criticisms made in the special report, and it is a singular circumstance, that no one fact set forth in the report was called in question during the whole of the discussion that ensued, thus virtually admitting its correctness in every particular. A large meeting of companies interested in Chicago business was at once held, and the Executive Committee were urged to take the most radical measures to secure reforms. The season being one in which a number of the officers of companies were absent taking their summer vacation, it was found to be impossible to obtain a full meeting of the Executive Committee on the day appointed, so that those who did assemble, after hearing the report, appointed a special committee to present such measures for action as the emergency seemed to call for. Meanwhile the fire of the 14th had been supplemented by other less destructive but equally alarming fires, so that when the Executive Committee came together on the 25th July, they were met on all sides by demands for radical action. This meeting resulted in the adoption of the six recommendations, or demands as they were afterwards called, as a pre-requisite to the continuance of business by the companies in Chicago, these met with general favor both from insurance companies

and the public press of the country, as being reasonable and just, and such as the companies who had sunk their millions in 1871, had a right to require from a city which had been benefited by them. The period of October 1st was, by consent, fixed upon as the time when the recommendations should be operative. A few days before the expiration of this period the Executive Committee, having carefully considered the situation, adopted unanimously the following resolution :

Resolved, That the authorities of Chicago having failed to comply with the suggestions put forth by the National Board of Fire Underwriters on the 25th July last, this Committee now recommend that all companies belonging to the National Board discontinue the business of fire insurance in the city of Chicago, either by new policies or renewals, on and after the 1st day of October, 1874, and that the general agent be instructed to communicate this decision at once to all National Board companies for immediate action.

In conformity to this resolution, seventy-two companies, members of the Board, notified us that they had discontinued business on the 1st October, as recommended by the Executive Committee. One company, however, withdrew its notice on the 18th October, having been instructed by its home office in England to continue. This brought matters to a crisis, and although our action was taken up by the Citizens' Association of Chicago, who addressed a pamphlet to your Committee on the subject, and by its public press, with great warmth and vehemence of language, yet the independent press of the country justified the companies, and commended their bold action. As is well known this course was not taken without great sacrifices on the part of the companies, but once taken it was adhered to with commendable firmness by them, notwithstanding the persistent, and in some cases unfair, efforts that were made to induce them to break the phalanx. It was not until the 5th November that the Committee were called upon to take further action in the matter, when, at the earnest solicitation of the Citizens' Association, a committee of

five, consisting of the president and vice-president of the Board, two members of the Executive Committee, and a member of the Board, with the general agent, were authorized to visit Chicago at a suitable time and report the result of their examination to the Committee. This duty was faithfully discharged by the special committee, some of whom spent nearly two weeks in a thorough examination of everything connected with the water supply, fire department, and other means of fire prevention, all of which was set forth in an elaborate report to the Executive Committee, who assembled for its consideration on the 30th November, and who, after much deliberation, yielded to the pressure which was brought to bear upon them, so far as to refer the matter without recommendation "back to the individual companies, leaving them to take such action as they may deem wise and prudent in view of the information presented by the report of said committee." It was no part of the duty of the Executive Committee to forbid companies from doing as they pleased, for as the act of withdrawal was individual and voluntary, so the act of returning to business there was also individual and voluntary. We have no right to criticise the action of those who did recommence business there, as they did it with a full knowledge of the situation, but we feel bound to say that our official information shows *that not one step of progress has been made toward greater fire protection since that time*, although five months have elapsed, except in a greater degree of discipline among the men infused by the presence of General Alexander Shaler of this city, whose earnest efforts to effect the needed reforms met with such meagre encouragement that he did not feel justified in remaining in Chicago, and accordingly, on the 1st March last, he resigned the position he had been appointed to, and returned to this city.

About three-fifths of the withdrawing companies have

renewed business in Chicago. It is earnestly to be hoped that they will continue to press upon the authorities of that city the fact that danger of other conflagrations still exists, which can only be averted by prompt and thorough action.

I cannot close the notice of this subject without a word of earnest commendation for the Citizens' Association of Chicago, who showed themselves to be actuated by the fullest sense of duty toward their much tried city. Could its control pass into their hands, it would not be long before insurance companies could assume risks there with comparative security against sweeping conflagrations.

I have been thus particular in alluding to this matter, as I desired there should be no misunderstanding of the position which was assumed by this Board, and which has been subject to so much of misrepresentation. It at no time sought to transcend either its powers or privileges, but simply did that which was its duty, endeavored to protect its members from unnecessary loss, by placing before them such official information with such recommendations as would enable them to act understandingly.

As it was not our first effort made to secure wholesale reforms, we trust it may not be the last, should another extraordinary emergency arise, for we hold that not only is it the right, but the duty of those charged with the care of insurance capital to protect it at all hazards from disasters which can be averted.

MEMBERSHIP.

The past year shows an addition of ten companies to our membership. The accessions have been, as you will learn from the report of the standing committee on membership, all of the better class of agency companies who, since their admission, have worked heartily with us, and seconded all efforts to extend the usefulness of the Board.

It was determined by the executive committee that no company of doubtful standing should be elected to membership ; and the test of fitness for it is based not only upon conservative management in business, but on the fact that the capital of the company is invested in undoubted securities, and that a sufficiency of surplus is held to provide an ample re-insurance fund for outstanding liabilities.

The value of membership is such that there have been many instances where companies sought to establish their reputation in the business community by becoming members of the Board. Too stringent regulations cannot be adopted to save the good name of the Board from being used as a cover for frauds upon the insuring community.

During the past year one company, an early member, decided to discontinue business, which it did, after honorably providing for all of its outstanding liabilities for pending risks, and paying all claims against it in full. It had never fully recovered from the hurt caused by the Boston fire.

Two companies having ceased to transact an agency business have withdrawn, and one company has been expelled for persistent and wilful violation of National Board rules and rates.

Experience has proved that all the officers of the Board who are directly engaged in its management, should be members of the Executive Committee ex-officio, as many of the duties imposed upon them by their offices render it important that they should have a voice in its deliberations. I therefore propose a change in the By-Laws, so that the Secretary and Treasurer of the Board can be made ex-officio members of the Executive Committee, with all the privileges attached to such membership.

LEGISLATION AND TAXATION.

That the agitation of these important subjects by us so far as they related to our own interests has been productive of good is evidenced by the interest taken by the daily press of the country whenever a bill has been introduced into the legislatures which seriously affected the rights of the companies. The past year has been prolific in such bills, but, so far, we are not aware that any have become laws, and it is hoped the speedy adjournment of most of the legislatures will soon relieve us from anxiety on this account. We have to congratulate the Board upon the repeal of the oppressive deposit laws of the States of Tennessee, South Carolina and Alabama, leaving those States once more open to free trade in Insurance. Insurance Departments have been established in the States of Texas and North Carolina, thus securing entire and thorough reform in the character of the institutions emanating from those States, from some of which a crop of mushroom companies sprung, which, at one time, threatened to cause serious loss to the insuring public, but thanks to the fearlessness of both the daily and insurance press their true condition has been shown.

In the States of Tennessee, Texas and Alabama, the insurance laws have been so amended as to require payment of taxes upon the net profits of the companies, instead of as heretofore upon the gross receipts. These amendments are in entire conformity to the recommendations made by the Committee on Legislation and Taxation at the last annual meeting of the Board. The repeal of the exorbitant local taxes in certain cities in Alabama, Kentucky and Mississippi, are also directly due to the policy pursued in charging such taxes to the insured by specific charge on the policy in addition to the premium paid. I recommend that the Board repeal the tax of ten per cent. imposed at the last annual meeting, on business in Mobile, Ala., owing to the abolition of their tax.

I have said that the past year has been prolific in bills of a character to prejudice injuriously the interests of insurance companies. In the State of New York two bills were introduced by members from the vicinity of New York, one of which, among other things provides, "That no transfer of title or interest resulting from operation of law in or to property insured against loss by fire shall render invalid or void any policy or contract of insurance hereafter issued or made, but the insurer may upon payment of a proportionate share of the premium received upon each policy or contract, be relieved from further liability upon the policy or contract. No notice or provision contained in or upon the policy or contract of insurance, or upon any paper whether signed by the applicant or not, or otherwise brought to the knowledge of any one interested in such policy or contract shall operate to limit the provision of this section."

Another provision is "In any action hereafter brought or now pending upon an insurance policy, the jury, in case they shall find for the plaintiff, may also specially find whether upon the facts the defendant had or had not good reason to believe that such a defence upon the merits to the cause of action existed, and if they find that the defendant had not good reason to believe that such a defence existed, the plaintiff shall be entitled to recover as extra costs a sum to be fixed by the Court, of not less than fifteen or more than twenty-five per cent. upon the amount of the verdict."

Another bill which has been received with great favor by the legislature, provides that "No tax shall hereafter be assessed upon the capital of any life, fire, or marine insurance company organized under the authority of this State, *but the Stockholders* in such Insurance Companies shall be assessed and taxed *on the value of their shares* or stock therein; said shares shall be included in the valuation of the personal property of such stockholder in the assessment of taxes in the place, town or

ward where such insurance company or association is located, and not elsewhere, whether said stockholder resides in said place, town or ward, or not. * * ”

“For the purpose of collecting such taxes and in addition to any other law of this State relative to the imposition of taxes, it shall be the duty of every such insurance company and the managing officer or officers thereof to retain so much of any dividend or dividends belonging to such stockholders as may be necessary to pay any taxes assessed in pursuance of this act until it shall be made to appear to such officer that such taxes have been paid.”

Is it not strange that a State like New York, having so many millions invested in insurance capital, should, for one moment, tolerate bills that are so unjust and oppressive?

In the State of Illinois, a State which of all others should be free from such legislation, and has so largely benefited by capital from other States, a bill was almost passed which sought to impose an onerous tax upon the gross receipts of other State companies; and in the State of Georgia a bill which, by placing the burden of proof of value upon the company in case of loss, threatened at one time to leave that State without facilities for insurance, was defeated, we are glad to say, by the good sense of the people, who opposed its passage by the House of Delegates, it already having passed the other House. Had it become a law it would have compelled the withdrawal of all the other State and foreign companies doing business in Georgia.

So frequently have the National Board been called upon to take action concerning these matters, and so engrossing have been the labor and correspondence necessary to oppose them successfully, or to secure the public attention their importance seemed to demand, that the position of a member of this Committee has been one of great responsibility and care. It seems to me unfair that such a burden should be

imposed upon our members, all of whom are sufficiently tried with the cares of their respective institutions, and I therefore respectfully recommend that the Board do at this meeting adopt the suggestion made by the Committee of last year, empowering the employment of a paid officer for this department, and with a view of economizing as much as possible the services of this officer I would also recommend a union of the Statistical Bureau with this, the two to be entitled the "Statistical and Legislative Bureau," whose Secretary shall be appointed and suitably compensated by the Executive Committee, and whose whole time shall be devoted to its service.

At no period in our history have we had so many demands upon us as during the past year, and at no time have we had so few upon whom we could call for assistance, therefore I feel how necessary it is you should take action upon this recommendation.

In Ohio we lost an opportunity of amending the oppressive tax law of that State for want of early action, and in other States we have had the same misfortune.

One important bill which has a direct bearing upon the position taken by the U. S. Supreme Court in the case of Paul vs. Commonwealth of Virginia, and which concedes the position taken by the plaintiff in said suit, has become a law in the State of Ohio. A copy of the bill will be found annexed to the report of the Committee on Legislation and Taxation. It shows that the necessity for a different view of this now famous decision is becoming apparent to the minds of legislators, if they desire to protect their own corporations by extending to those of other States the same rights which are universally granted to individual citizens.

So much has been said on former occasions upon the inequality of this and other decisions and laws affecting our interests, that I have refrained from any comment at this time upon them. We cannot present anything that you do not already know, but we do ask

your united and hearty co-operation in securing, as far as practicable, relief from any of these unwise and discriminating laws, being well assured that by so doing we are serving individual as well as general interests.

The decision of the U. S. Supreme Court in the case of the Home Insurance Company vs. Morse and others, known as the Wisconsin case, in which the Court held "that the statute of Wisconsin denying the right of citizens of other States to remove their causes from the State to the Federal Courts is repugnant to the Constitution of the United States, and is illegal and void," we regard as a great gain, and are satisfied that similar injustice met with the same determination will eventually lead to a better understanding of our rights by the State Courts and Legislatures.

STATISTICAL BUREAU.

The indefatigable labors of the Committee on Statistics have brought to us a large addition of valuable information during the past year. They report that a greater number of companies have contributed their experience, and the new form adopted in presenting their results, to our members will, we think, obviate in a large measure the objections heretofore made to their publication.

The system of monthly reports of losses upon Special Hazards during 1874 has also added another valuable record of experience. The magnitude of the losses upon this branch of our business can thus be fully appreciated. In the absence of any reliable data much of our information has heretofore been but of little value. Our record only shows the number of Specials burned or damaged during 1874 which were insured by National Board Co's. We have before us the record compiled by one of the editors of the Insurance Chronicle, which shows that during the months of January, February and March, 1875, alone, 654 Specials were destroyed, involving a loss of \$9,949,450, on which the loss to the companies insuring them was \$5,006,940, or more than

50 per cent. of the whole loss. As this record embraces all of the United States, it gives us the losses which are borne by a class of companies we have not been able to reach heretofore. A detailed account of the kinds of hazards destroyed will be found in that journal.

The most valuable result of the year was obtaining from the Census Commissioners of Massachusetts the insertion in the blank for the census returns of that State to be taken the present year, of certain important questions relative to the industrial statistics of the State, not heretofore required, and which cannot fail to be of great service to us. We are also promised that our recommendations will be adopted by New York and other States, and the correspondence had with the Superintendent of the United States Census Bureau encourages us in the hope that the Government will adopt them for the centennial census blank for next year's census.

Our work in this department has excited much interest in foreign countries among statisticians and underwriters, as the record of correspondence had with officials and others in England, France, Prussia, Switzerland, Russia, Bavaria, Saxony, Wurtemberg and Baden show, and while it appears, that with them but little attention has been paid to the collection of this class of statistics, we feel that our example will be followed, and our efforts most heartily seconded by our brethren on the other side of the Atlantic. The next session of the Statistical Congress which will be held in 1878, will doubtless witness a recognition of the value of the work we have undertaken.

Your attention is especially called to the blank put forth by the Committee as a system of classification of hazards, which cannot fail to commend itself to you by its simplicity and usefulness. We trust it will not be long before the Board will find it to their interest to adopt one of their own that may go forth with authority.

The importance of this statistical work of the Board

in giving us information as to the results of business upon particular classes of risks is seen, in affording us a cogent argument with which to oppose the many trade and class organizations which are uniting together on the co-operative or mutual plan to do their own insuracne, and we are thus able to prevent a competition not founded upon experience but upon the prejudices of a class. A movement was made last year among a powerful body of men engaged in one of the great industries of our country, to organize such an association for insuring their own property, but an examination of the statistics of this branch of trade, in our files, which were quite full, proved to the intelligent committee having the matter in charge how hopeless would be their chances of profit, and it was wisely abandoned.

I must cordially endorse the work of this Committee and commend it to you. The work has been well begun, and we are already in possession of a body of statistics of the greatest value to Underwriters. Let not our zeal abate, and let me ask you to grant to the work such support that its efficiency may be increased and its importance fully demonstrated.

CONSTRUCTION OF BUILDINGS.

The standing committee upon this subject have been diligent in gathering for the information of members, the laws of all the cities and towns in the United States in regard to buildings. These have been classified and will be presented to you in due course.

The information thus brought to your notice is of a character calling for careful consideration at your hands. It reveals the fact that in this country we are not wisely governed in this particular. It is not strange that this should be the case in our newer cities and frontier towns, which we all know spring up like mushrooms, almost in a day, and then, as the occasion which called them into existence passes away, are deserted and left to premature decay. But in our older cities

we observe the same lack of positive regulation. New York and Boston are almost alone in their stringent requirements, and it seems to be regarded as an intrusion upon the rights of individuals, if an effort is made to reform the practice elsewhere. With land in abundance upon which to place our buildings, and costing but a moiety of the value of land in foreign cities, we yet take up but about six per cent. of the horizontal bulk of a building in its walls, whereas in European cities from fifteen to twenty per cent. is not thought too much. An exterior wall less than two feet in thickness is never seen, and more often they are made three and four feet thick, while with us, out of New York or Boston a two foot wall is a rarity. A recent survey of two important cities in this State showed that neither city possessed a single building that approached the New York standard. An effort was then made to adopt a schedule that might with reasonable safety be applied, but this too failed, because of the inability to apply it without causing an exorbitant advance in the rates of insurance. Both of these cities have for a few years enjoyed comparative exemption from heavy losses, hence the difficulty of forming a correct public opinion upon the subject.

In our construction we use wooden or iron beams, without filling the spaces between them with non-conducting material, thus affording a fire easy access from one floor to another. Wooden beams I consider more reliable than iron if of proper thickness, but they should always be filled with plaster or gypsum, and have a coating of the same of from four to six inches in depth placed over them, upon which to lay the floors, or instead of this a coating of two or three inches of the same material upon which bricks can be laid, and on them the floors. Roof timbers should be laid in a similar manner, except that tiles can be substituted as the outside covering instead of brick. The advantage is two-fold ; it is not only water-tight but fire-proof, both

from outside and in. As to walls a simple rule to adopt is to require a thickness for independent walls of four inches for each story in height of a building to the top of the second story, then recede four inches at the beginning of each story above except the last, which should be the same thickness as the one next below, provided, however, that no wall be less than eight inches in thickness; party walls to be four inches thicker throughout. Another necessity is parapet walls between stores; these should always be from twenty-four to thirty-six inches in height and of the thickness of the upper wall, and capped with stone or tile.

Our habit of placing in the crowded business sections of cities such vast masses of merchandise within single buildings is to be deprecated; here we have the very fuel necessary for a large fire. There are sections of New York where many millions are thus collected in a small area, whose destruction would bankrupt almost every insurance company in the land. Chicago and Boston showed single stores in which over a million of property was stored, while others with nearly equally valuable contents adjoined on each side. What we need in our great cities is the system so thoroughly well established in London, Liverpool, Hamburg, and other great commercial depots, of warehouses of substantial structure upon our extended water fronts.

The great cities of the ancient world of which we still have the remains, show that solidity in building was of the first importance. Their successors of more modern times also show that they too have learned this lesson, while we, more intent upon effect than solidity, have neglected to profit by their experience, and squander our wealth and enterprise upon structures which the first disaster will sweep out of existence.

There is no greater missionary work in the business of insurance than the attacking of this enemy of our profits. Every local board in the country has an interest in carrying out the ideas we have suggested, and

with united and hearty effort they could place among their city and town regulations a thorough, well digested building law. When such laws are established, rates of premium will take care of themselves, and there would be an end to the complaints about unequal and oppressive rates.

FIRE DEPARTMENTS, SALVAGE CORPS AND WATER SUPPLY.

The appointment by your Board at its last Annual Meeting of a Standing Committee upon these important matters, and the controversy which grew out of the deficiencies referred to in the city of Chicago, have caused us to give special attention to these subjects during the past year. We have obtained reliable reports of their condition in 660 localities in the United States, as will appear in detail in the report of the Standing Committee. We have also caused careful and thorough inspection to be made by experienced persons of many of the more important cities where the companies of the Board have the largest interest, such as Philadelphia, Baltimore, Milwaukee, St. Louis, Albany, Providence, New Haven and Utica. These reports have in many instances formed the basis of correspondence with the authorities and others of these cities with a view of securing needed reforms, in which we are happy to say we have been successful in some instances. The reports are submitted herewith, and form an appendix to this Address. They will repay your careful perusal.

The valuable aid given to us by the National Association of Chiefs of Fire Departments of the United States, at their gatherings, by the discussion in a practical way of all the matters involved in complete security to a city, both as to a fire department and proper water supply, has been fully appreciated.

One important point was most thoroughly discussed; the reliance of towns and cities upon a direct-acting

water service system without the aid of auxiliary movable fire engines. The weight of testimony was found to prove that while the direct-acting service system had often performed excellent work, it had also frequently failed, and that not only was it unsafe but injudicious to rely wholly upon any such system however complete, and dispense with the aid of auxiliary movable fire engines.

The importance of this can readily be seen, for we have found many instances where, after the inauguration of a direct water service system, the engines have been entirely neglected and allowed to become in great measure useless. I recommend that the Board so modify the rule in regard to an allowance in rates, for water supply, that no abatement be made unless auxiliary movable engines should be retained in the department and kept in perfect order and in condition to be manned and operated at the shortest notice. Within a few months the city of Laporte, Indiana, which is supplied by the Holly system, found that owing to the drouth of last fall the water in the lake had been materially decreased, thus preventing the water from flowing freely through the pipes, before the fall rains the early frosts came, and in a short time the pumping well was deprived of its requisite supply, and the city literally bereft of the means for extinguishing fires, as it had no other reliance. In this case it is true the trouble was caused by the fact that the pipe did not extend far enough into the lake, and was not carried deeper, but it is an apt illustration of the folly of relying solely on a direct water system as an exclusive means of protection.

The severity of the past winter has also called our attention to the faulty manner in which the water mains of cities are laid, and the necessity for securing greater depth to prevent their freezing, for even in the city of New York a large main in one of our leading thoroughfares, which, from the formation of the ground over

which it passed, could not be laid to a greater depth than three feet, had its power of supply diminished at least one-half by the formation of ice within the pipes. Now, when we reflect that three feet is the depth at which the mains of most cities and towns are laid, not a few of which are subjected to an ordinary temperature much lower than that of the metropolis, we cannot over-estimate the importance of giving attention to this matter. I am satisfied by observation that a depth of not less than seven feet should at all times be used for burying the pipes to secure them against the action of the frost. In this same connection I would also call your attention to the size of pipes used in carrying the water, they rarely exceed six inches, and scarcely average more than five. I hold that twelve inches diameter should be the minimum size for any that are laid to supply hydrants in thickly settled business parts of cities. None others can deliver water enough to meet an emergency.

I have also been impressed in the reports which have come before me with the deficiency in so many of the fire departments of our country, in that useful arm of the service known as the hook and ladder or truck companies, and where they do exist, in their fewness and the incompleteness of their equipment. No city or town of 30,000 inhabitants should have less than two trucks of eight ladders each, including one extension ladder, carrying six short hooks, two of medium size of nine feet and two long hooks of fifteen feet, besides axes and fire extinguishers, and no town should be without at least one truck; these should be manned by not less than five men. It is one of the most valuable means of fire protection, and is of the utmost consequence when skillfully handled in preventing the spread of a conflagration.

Another of the growing evils connected with our fire departments is their cost. This, in great measure is owing to the class of men selected, not only for the highest but for the inferior positions. A moderate number of well drilled and intelligent men, led by educated

engineers, who are taught the art of extinguishing and preventing fires upon scientific principles, are of far more use to a community than the unwieldy bodies of men unskillfully handled, we so often find challenging our criticism.

A better field could not be found for the talents of some of our young men, who are graduating annually from the scientific departments of colleges, than as managers of the fire departments of our cities and growing towns.

The cost of the fire brigade of the great city of London is but one third that of New York, and even less than that of Boston or Baltimore. The whole expenditure in Berlin, a city of over 700,000 inhabitants, and subject to high winds not unlike Chicago, was, for 1874, but little over \$120,000.

Should not these facts cause us to consider carefully this whole subject, for we all have large interests as taxpayers in our cities?

I have made more extended remarks upon this important subject than I at first intended, but in connection with the construction of buildings to which I have before called your attention, there is presented for our consideration these points. It is important that we should at all times have at our command the most reliable information as to the condition and circumstances of each place with which we have extensive business relations. This information can only be had by a careful inspection and study of every branch of the government of the places. To do this effectually, I propose that we unite in one bureau the matter of "Construction and Fire Prevention," place at its head a judicious, skilled officer, who shall be required to make these examinations for the use of the companies, and who shall be under the control of the Standing Committees of the Board on "Construction of Buildings," and "Fire Departments, Water Supply and Salvage Corps."

To make these inspections thorough and effective, I

would suggest that the following subjects be required to be reported upon :

I. FIRE DEPARTMENT.

1. Its Organization.
2. Its Government.
3. Its Telegraph System.
4. Intelligence of its Officers.
5. Its Discipline.
6. Its System of Discipline.
7. Its Material (apparatus).

II. WATER SUPPLY.

1. Its Source and Sufficiency.
2. Means of Supply.
3. Means of Distribution.
4. Number and Character of Fire Hydrants.

III. STREETS AND AVENUES.

1. Width and Regularity.
2. Character and Composition (pavement).
3. General Condition.
4. Repairs, how made.

IV. BUILDINGS.

1. Their Construction (in different sections).
2. Their Uses.
3. Their Contiguity.
4. Their Exposures.
5. The extent of territory covered by them.

V. BUILDING LAWS OR ORDINANCES.

1. Their Character.
2. Their Execution.

VI. COMBUSTIBLE LAWS OR ORDINANCES.

1. Their Character.
2. Their Execution.

There are other important matters which are proper objects of inquiry, such as the past history of a city,

its development and growth, its business enterprise, the personal character of the agents representing insurance companies, and other kindred subjects.

Our ignorance of inherent dangers in places, has too often subjected us to great losses, which such a knowledge as is proposed under this bureau, would have enabled us to escape.

The great advantage of such an inspection has been fully shown in the limited ones we have already made, and to which I have before referred. I trust that the plan recommended will meet with your approval and be carried into effect, or some more effectual one suggested by you at this session of the Board.

SUPERVISING AND SPECIAL AGENTS.

The Board during the past year has had the services of

Messrs. Robert J. Smith,
Jacob Peetrey,
William S. Denny,
Charles H. Ford,
I. S. Blackwelder,

as supervising agents of the highest grade.

Of these, Mr. Smith retired from our service in July last to assume the secretaryship of the Traders' Insurance Company of Chicago ; and Mr. Peetrey retired on the 15th of January, 1875, to become manager of the southern department of the Franklin Fire Insurance Company of Philadelphia. The other gentlemen are still with us—Mr. Denny's field being New England and New York ; Mr. Blackwelder's, the western States ; and Mr. Ford being attached to the head office. The southern field is vacant, no new appointment having been made since Mr. Peetrey's resignation. The reports of these gentlemen will be presented to you by General Agent Montgomery. They are records of careful painstaking examinations, of extensive travel, and judicious action not often excelled. You owe all of them cordial

thanks for their faithfulness in the discharge of duties that are both delicate and arduous.

In addition to these gentlemen, we have had during the past year the services of Messrs. J. Griswold (since elected secretary of the Humboldt Insurance Company of Newark), Theodore Knudsen, C. C. Griswold, E. J. Barney, and William Muir, in New England and the Middle States as Special Agents. The three latter are still with us, while Messrs. J. P. Rowley, W. D. Crook, Coon, Winwood and Easton have been employed in the west under the direction of the committee on co-operation, to whose report I beg to refer you for information as to their labors. Mr. C. T. Webster is also employed as special agent, under the direction of the New England provisional committee. All of these gentlemen have been on constant active duty ; in fact it has been difficult for us to economize their time so as to meet all the demands upon it.

Our supervising agents (under the special resolutions passed in 1873) have, during the past year, examined the books of agents in thirty-eight localities, and in every case with excellent results. I can but repeat the commendation of last year, and express the hope that no effort will be made in any way to curtail the usefulness of this all important rule.

Last year I recommended an enlargement of the force of supervising and special agents, and you were pleased to concur in my recommendation. I sincerely trust you will put it in the power of the executive committee to employ such a corps of these invaluable assistants as will enable them to answer every demand with promptness and efficiency. It would be a wise economy of money to every member of the Board.

In furtherance of the views thus expressed, I would recommend that you authorize that not less than five supervising agents of the first grade, and not less than six of the second grade, be commissioned by the Executive Committee. A part of both forces to be assign-

ed at their discretion to the different fields covered by the Board.

LOCAL BOARDS.

The number of local boards on our records at this date is 1,024, an increase of 42 since last April, having a membership of 8,377 agents. We have on file at the Board rooms 953 tariffs, embracing 3,440 places, an increase of 151 tariffs and 569 places since last year.

There have been 293 tariffs revised since April 22d, 1874. I present these figures to show how vast is the work of the Board, and what demands have been made upon us to supervise and direct this large number of boards.

We regret to say that our record of trials, convictions and punishment of agents is largely in excess of last year, no less than 76 trials having been held by our supervising agents—to whom alone this delicate and important business is entrusted, these trials have resulted in the conviction of 137 agents. Your executive committee were led to consider with great seriousness in what manner they could inflict a punishment that would prove a complete corrective for the violation of the rules and rates of the Board. They finally decided to fine delinquent agents in sums of money, proportioned to the offence committed. This they have for many months carried into effect, and with excellent results, as we have had but few complaints of a second offence being committed after the imposition and collection of one fine. This onerous and disagreeable duty has been performed with the most perfect fairness and impartiality by the executive committee, no excuses being admitted from anyone in plea of an offence really committed. For some time the fines thus imposed were allowed to be paid into the local board treasuries, but the committee felt that they should constitute a fund to be used for special purposes to be designated by the Board. They accordingly directed that from

and after February 1st, 1875, all fines should be paid into the National Board Treasury, and held by it in trust as a separate fund, until disposition was made under your direction. The amount of fines imposed to this date in 137 cases has been \$10,842.50 ; of this amount \$2,280 was spent by the local boards, with our consent \$4,702.45 paid into the National Board treasury, and \$3,860.05 remains unpaid at this date.

As no suggestion has been made by the executive committee in regard to the disposition of this fund, I respectfully recommend that it be devoted to the maintenance of the bureau on "Construction and Fire Prevention," and the bureau of "Statistics and Legislation." It is eminently proper that it should be used in behalf of the Board in some way not connected with the cause of its collection ; and if by this means we can secure greater efficiency in these important branches of our work, the agents who pay the fines will have the satisfaction of knowing that they are contributing to the security and immunity of their respective places from overwhelming disasters.

In the course of our investigations and trials the fact has often been developed that the agent had been rendered liable to punishment by obeying the instructions of his general or special agent. Several flagrant cases of this kind have been reported to us, but as no power exists at present to punish this class of offenders, they have been allowed to go free, though more deserving of punishment than their subordinates. I recommend that the Board place in the hands of the executive committee the same discretion in regard to the trial and fine of this class of agents that has been allowed in the case of local agents. We have to congratulate the Board upon the general efficiency and harmony which has prevailed in local boards during the past year. It is in marvellous contrast with former years ; but it is a singular coincidence that most of the trouble we have experienced with local

boards since 1872 has been with those who were chronic disturbers of the peace from 1866 to 1869, showing that the disease is localized, and in need of eradication.

Our want is greater ability to control these places through more frequent visitations by our supervising agents. With such means at our command, the remedy could soon be applied, without allowing the trouble to grow serious. Should the recommendations made as to an increase of supervising agents be adopted by you, I should consider this vexed question in a fair way of settlement. I have also been led to look with much favor upon a system of district surveyors, whose whole time shall be employed in districts embracing a group of important cities and towns. This system first inaugurated in New York State, where we have three groups of cities under the control of as many surveyors, has led us to extend it to parts of Pennsylvania, Kansas, Ohio and Iowa. It can be done without any increase of expense to the Board, and in great measure relieve us of anxiety in regard to the rates in such districts.

RATES.

It was natural to find, after a period of prosperity, a desire on the part of the public for lower rates of premium upon the hazards of the country, and were there reason in such a demand it would be heeded; but it seems to be forgotten that the Companies by acceding to it would soon again put themselves in a position that would, with the demand upon them even in a single year for unusual losses, render it impossible to respond to such a call. We are not satisfied that this clamor comes solely from the assured, for his experience of 1871 and 1872 has taught him that there was no surer way of securing genuine indemnity than by paying proper rates for insurance. Now we deny, most emphatically, that the rates of premium sanctioned by this Board are in any sense oppressive or unjust. As already stated, revisions of rates have

been constantly going on, and in all places where there was the least reason for a reduction it has been made, not always so much as demanded, but such as was proper. You will observe also that there has been a steady decline in the grand average rate throughout the entire country since 1873. The difficulty lies mainly in the fact that no discrimination is made in such demands. Agents who, from the stagnation of business and the depreciation of values find their receipts declining, instead of looking at the real reason, conclude the public are unwilling to pay the established rates, and very unwisely join in the clamor for reduction. Until one general and comprehensive principle is established for fixing rates we shall always be subject to such inconsistent claims. The true remedy is to allow rates to fix themselves by adopting such a basis rate, with charges for defects and exposures, as would put it in the power of any community to secure moderate and even low rates. The system of schedule rating answers this end completely, but the National Board has never made its own schedule. To-day there are many in use in different cities and localities, all having their excellent points, but none that are homogeneous. It is perfectly feasible to create such a schedule as would be applicable to every large city or town of our extended country, and coming with the authority of the National Board as its creator it could not fail to be received with favor. The many experiments we have tried with those in use will show how little they can be relied upon for application to places, other than those for which they were especially intended. Will you not order this matter to be taken in hand by your executive committee, as one of the most important measures of the next year, and thus secure to the business a wise, useful and thoroughly fair method of ascertaining what rates would be just to both insurer and insured.

The Executive Committee having at its meeting in

February last, referred the matter of rates on long term policies on business buildings to me for recommendation, I beg to recommend for your adoption, that $2\frac{1}{2}$ annual premiums be the rate at which three year policies may be written, and four annual premiums be the rate for five year policies.

This rate to apply to any building occupied for business purposes or for offices, but not to apply to merchandise or property therein. It, also, being made the rule, that merchandise and other personal property shall not be written for a longer period than one year unless at regular annual rates.

INCENDIARISM AND ARSON.

This important subject has received full attention during the past year. At the last annual meeting we reported that rewards, amounting to \$46,350 in 80 cases, had been offered. To this we have now to add, for 1874 and 1875, that we have authorized the sum of \$61,375 in 137 cases, making an aggregate of 217 cases and \$107,725 in rewards.

We have paid four rewards amounting in the aggregate to \$1,750, arising from the conviction, sentence and imprisonment of four or more persons, all of whom set fire to their own premises with a view of obtaining the insurance thereon. As many rewards had been outstanding for a considerable period, the committee have limited the duration of the reward to one year from the date of its issue, unless for special reasons it is deemed advisable to extend the time during which it should be operative. The whole amount, therefore, authorized, since the passage of the rule, is not quite equal to the subscription first made to the fund. No additional call has been made this year upon the subscribers, the funds on hand being sufficient to meet the demands to the end of the fiscal year. In the city of New York, through the perseverance of that admirable officer, Fire Marshal Sheldon, no less than sixteen arrests have

been made, and thirteen convictions obtained, while the number of incendiary or suspicious fires has diminished very largely.

The fact having become widely known throughout the United States that the National Board would offer rewards in all cases where well founded suspicion existed as to the cause of the fire, we have had numerous applications for these rewards from reputable companies not members of the Board, and from the authorities and magistrates of towns and cities. We have knowledge of several cases where a series of incendiary fires immediately ceased when a reward was made public. No better system for the prevention of this crime has ever been devised, or one that has brought more commendation from the communities that have benefited by them.

It should be the aim of the Board to pursue the matter until by the certainty of conviction, this species of attempt to deplete our treasuries becomes too dangerous for even an adept in crime.

FORM OF POLICY.

It will be recollected that the Committee on Form of Policy, presented at the meeting of last year a report embodying a "new form of policy," for the consideration of our members. The late period in the session at which it was received prevented that discussion its merits seemed to demand, and it was by common consent that it went over to this meeting. The matter is one the importance of which cannot be overestimated. That a thorough revision ought to be given to the contracts, under which the companies assume liabilities, is evident. It must be borne in mind that no entire revision has been had for many years, and the constant experience of companies is urging upon them to add additional clauses to cover defects. Now the truth about the whole matter is simply this: the form of policy in general use is largely based upon

that which was in use in the early days of fire underwriting, when nearly all insurance was effected upon the written application of the assured, who thus became a party to the contract, and was held by law to a strict fulfillment of his portion of it. Hence the major portion of the decisions we have had to guard against by additional or amended clauses in our conditions of insurance have been made upon the idea that there was a mutual obligation to be fulfilled.

Now is not this being rapidly changed by the laws which the courts have laid down for the government of incorporations? And are we not in the more recent decisions being brought more under the general laws applicable to incorporations than to the special decisions heretofore applicable to insurance cases alone, and does not this have a broader significance which it would be well for us to consider? In England, most of the companies are organized as corporations under what is called the limited liability act. We belong to the same class, for all of our companies are limited liability incorporations. Now I observe a material change in the form of policy in use in the older country, as compared with that under the old law which made stockholders even liable for the whole amount of their private fortunes beyond their stock. In view of this state of things, would it not be wise for us to cause the standing committee on Form of Policy, to consider whether it would not be more for the interest of the companies and more just to the holders of policies to abrogate the present conditions of insurance in the policy, and substitute therefore a limitation of liability upon such points and subjects as would be agreed upon by this Board. Such a change, I am satisfied, in noticing the drift and usages of commerce and business generally, must come sooner or later, and we would do well to lead the current rather than be carried away by it. I trust this important matter will receive at your hands the attention its grave importance seems to

demand. The coming year could not be more profitably spent by our best and wisest minds than in a careful consideration of what is involved in so radical a change as is proposed. It is one of those matters where it is better to move slowly, and where we ought to seek the best legal advice which our country affords, and we could then provide a way for settling many of the demands which mortgagees, trustees, and corporations who are holders of our policies as collaterals have sought to impose upon us during the last few years.

It having been referred to me to report upon the subject of including goods on storage in general merchandise policies, I recommend that a rule be adopted prohibiting the insurance of goods on storage except under specific policies. The long established custom of New York and other large commercial cities in this country, as well as the custom of London, Liverpool, Hamburg, Paris, and even Genoa, in requiring this separation I feel to be both wise and judicious, and no reason exists for any change from this well settled rule.

As much discussion has arisen with reference to the form in use in policies on merchandise held for sale by commission merchants, I beg to suggest for your consideration the following in its place :

“On merchandise hazardous, the assured's own, in trust or on commission for which he is responsible, in no case exceeding the market value of the goods immediately anterior to the fire.”

I also recommend the adoption of what is known as the three quarters clause in all policies on merchandise and stocks of goods in the States of Georgia and Louisiana, custom having long since sanctioned its use by the local companies of those States, and it is proper that National Board companies should insure on as favorable a basis as the local institutions of the States named.

CONCLUSION.

In concluding this review of the past year, I am constrained to offer a few words in defence of our organization against the claim that it is a combination injurious to the public interests. Such a record of measures for the welfare of the whole country as we present to you this day, is rarely to be found in the annals of any other public body. We but carry out in our association the principles upon which our own great republic is founded,—the unity that is strength, and I may add also wisdom. No great results have ever been obtained in the world without combination. We simply obey the great law of nature which brings bodies of men together, establishes friendly relations between them, and by inspiring them with noble aims, promotes the general interest. Singly we can do nothing to secure reforms of any kind ; but united we are a power for good, and as every member in our democracy has a voice in its affairs, so is it in the power of all to be heard in our councils, the only tie that binds us being that of a common interest, and any intrusion upon the rights of a minority is sure to result in disruption. We have demonstrated that which never before has been possible—permanent success and proper remuneration to capital.

It was well said by Mr. Sandford, the late Insurance Commissioner of Massachusetts, in one of his early reports, that “the insurance interests are quite as ready to introduce reforms as the public to adopt them.” We have shown this willingness to introduce reforms. May we not hope that the public will sustain us in them ?

TABLE I.

1 INSURANCE COMPANIES OF THE STATE OF NEW YORK.

Year.	Capital.	Dividends.	Per centage.
1859 to 1865 inclusive.	165,202,520	16,605,897 31	10.05
1866	30,649,660	2,073,375 79	6.76
1867	28,861,232	2,272,237 96	7.87
1868	28,629,474	2,753,723 64	9.60
1869	28,611,232	3,157,359 09	11.03
1870	29,761,232	3,441,904 07	11.53
1871	22,907,020	2,485,890 30	10.40
1872	24,407,010	2,265,687 79	9.28
1873	25,557,020	2,163,361 86	8.46
1874	26,307,020	3,263,524 62	12.40
Aggregate.	410,893,420	40,482,962 43	9.85

2 INSURANCE COMPANIES OF OTHER STATES.

Year.	Capital.	Dividends.	Per centage.
1859 to 1865 inclusive.	75,532,530	10,726,224 21	14.20
1866	13,760,690	1,295,874 91	9.41
1867	16,750,000	1,502,089 00	8.96
1868	20,701,720	2,298,072 74	11.10
1869	22,507,870	3,095,420 30	13.75
1870	22,971,101	3,068,094 61	13.35
1871	20,850,000	2,587,583 44	12.41
1872	18,770,506	1,031,111 17	5.49
1873	24,780,045	2,041,354 04	8.24
1874	26,745,170	3,492,696 84	13.05
Aggregate.	263,369,132	31,138,521 26	11.82

3 AGGREGATE.

Year.	Capital.	Dividends.	Per centage.
1859 to 1865 inclusive.	240,735,050	27,332,121 52	11.31
1866	44,410,350	3,369,250 70	7.59
1867	45,611,232	3,774,326 96	8.27
1868	49,331,194	5,051,796 38	10.24
1869	51,118,602	6,252,779 39	12.23
1870	52,732,333	6,509,998 68	12.34
1871	43,757,020	5,073,473 74	11.58
1872	43,177,516	3,296,798 96	7.63
1873	50,337,065	4,204,715 90	8.35
1874	53,052,190	6,756,221 46	12.73
Aggregate.	674,262,552	71,621,483 69	10.60

TABLE II.

1 INSURANCE COMPANIES OF THE STATE OF NEW YORK.

Y ar.	Fire Premiums Received.	Fire Losses Paid.	Per centage.
1859 to 1865 inclusive.	65,403,150 10	36,354,203 71	55.58
1866	20,786,847 47	15,312,751 13	73.67
1867	21,012,050 18	12,229,492 80	58.20
1868	20,686,198 13	10,188,294 62	49.25
1869	20,537,288 44	9,683,747 75	47.15
1870	20,064,153 14	11,119,308 47	55.41
1871	17,157,055 06	13,261,604 63	77.07
1872	20,385,074 62	14,309,564 19	70.14
1873	23,552,748 58	13,764,886 38	58.44
1874	23,743,145 33	9,024,989 07	38.01
Aggregate.	253,327,711 05	145,248,842 78	57.34

2 INSURANCE COMPANIES OF OTHER STATES.

Year.	Fire Premiums Received.	Fire Losses Paid.	Per centage.
1859 to 1865 inclusive.	42,293,004 02	26,255,314 90	62.08
1866	11,494,557 29	8,600,994 74	74.83
1867	15,150,088 27	8,588,777 07	56.69
1868	16,709,542 12	9,095,684 49	54.43
1869	18,816,290 13	10,370,594 02	55.11
1870	17,173,468 59	10,750,132 28	62.59
1871	19,663,996 76	18,335,669 55	93.24
1872	23,757,205 00	20,302,837 57	85.46
1873	28,461,976 21	17,115,723 55	60.18
1874	27,345,680 61	12,818,745 95	46.87
Aggregate.	220,865,609 00	142,234,474 12	64.39

3 AGGREGATE.

Year.	Fire Premiums Received.	Fire Losses Paid.	Per centage.
1859 to 1865 inclusive.	107,696,154 12	62,609,518 61	58.13
1866	32,281,404 76	23,913,745 87	74.07
1867	36,162,138 45	20,818,269 87	57.56
1868	37,395,740 25	19,283,979 11	51.56
1869	39,353,578 57	20,054,341 80	50.95
1870	37,237,621 73	21,869,440 75	58.72
1871	36,821,051 82	31,597,274 18	85.81
1872	44,142,079 62	34,612,401 76	78.41
1873	52,014,724 79	30,880,609 93	59.36
1874	51,088,825 94	21,843,735 02	42.75
Aggregate.	474,193,320 05	287,483,316 90	60.62

TABLE III.

1 INSURANCE COMPANIES OF THE STATE OF NEW YORK.

Year.	Net Cash Premiums Rec'd, Including I land.	Expenses Paid.	Percentage.
1859 to 1865 inclusive.	73,672,567 73	24,343,598 13	33.04
1866	25,122,152 86	7,945,067 30	31.62
1867	24,095,970 04	7,962,084 45	33.04
1868	22,852,317 62	7,965,124 72	34.85
1869	22,313,250 19	8,173,085 45	36.62
1870	21,504,931 62	8,596,517 22	39.97
1871	17,634,934 71	6,177,181 00	35.04
1872	20,912,781 00	7,177,310 00	34.32
1873	24,312,752 33	7,954,164 47	32.71
1874	24,477,295 81	8,682,387 48	35.47
Aggregate.	276,898,953 91	94,976,520 22	34.30

2 INSURANCE COMPANIES OF OTHER STATES.

Year.	Net Cash Premiums Rec'd, Including Inland.	Expenses Paid.	Percentage.
1859 to 1865 inclusive.	50,195,388 52	11,222,557 86	22.35
1866	13,745,339 41	3,846,302 36	27.98
1867	18,140,089 34	5,162,207 69	28.45
1868	20,171,630 19	5,909,686 27	29.29
1869	22,710,895 32	6,751,280 71	29.72
1870	21,088,154 06	6,531,773 44	30.97
1871	23,112,353 90	6,645,693 46	28.75
1872	27,090,523 00	7,458,726 00	28.42
1873	32,092,743 90	9,215,014 99	28.71
1874	32,012,407 24	8,976,284 06	28.04
Aggregate.	260,359,524 88	71,719,526 84	27.54

3 AGGREGATE.

Year.	Net Cash Premiums Rec'd, Including Inland.	Expenses Paid.	Percentage.
1859 to 1865 inclusive.	123,867,956 25	35,566,155 99	28.71
1866	38,867,492 27	11,791,369 66	30.33
1867	42,236,059 38	13,124,292 14	31.07
1868	43,023,947 81	13,874,810 99	32.24
1869	45,024,145 51	14,924,366 16	33.14
1870	42,593,085 68	15,128,290 66	35.51
1871	40,747,288 61	12,822,874 46	31.42
1872	48,003,304 00	14,636,036 00	30.48
1873	56,405,496 23	17,169,179 46	30.44
1874	56,489,703 05	17,658,671 54	31.26
Aggregate.	537,258,478 79	166,696,047 06	31.02

TABLE IV.

1. INSURANCE COMPANIES OF THE STATE OF NEW YORK.

YEAR	FIRE RISKS WRITTEN.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	Percentage of Fire Losses to Fm's.	Percentage of Fire Losses to F. Risks wr't'n	Am't of Fire Risks wr't'n to \$1.00 loss.	Average Rate of Fm's on Fire Risks.
1860	1,049,551,594	6,710,412 27	8,578,984 15	53.33	.3410	293.26	.6392
1861	1,027,112,596	6,161,507 88	8,274,115 21	53.14	.3188	313.71	.5999
1862	1,200,721,130	6,866,355 69	4,227,157 44	61.56	.3521	284.05	.5738
1863	1,560,687,139	8,987,315 81	3,849,945 22	37.27	.2146	465.88	.5805
1864	2,342,666,111	13,325,783 32	7,195,271 84	54.00	.3071	325.58	.5688
1865	2,510,595,187	17,052,086 97	12,046,798 77	70.65	.4799	208.40	.6792
1866	2,753,493,107	20,786,847 47	15,312,751 13	73.67	.5561	179.82	.7549
1867	2,503,847,496	21,012,050 18	12,229,492 80	58.20	.4884	204.73	.8399
1868	2,643,720,096	20,686,198 13	10,188,294 62	49.25	.3853	259.48	.7824
1869	2,714,198,776	20,537,288 44	9,683,747 78	47.15	.3567	280.28	.7566
1870	2,813,983,769	20,064,153 14	11,119,308 47	55.41	.3951	253.07	.7030
1871	2,506,557,045	17,157,055 06	13,261,604 63	77.07	.5427	184.17	.7088
1872	2,922,114,289	20,385,074 62	14,309,564 19	70.14	.4950	204.20	.7035
1873	2,933,463,315	23,552,748 58	13,764,886 38	58.44	.4692	213.11	.8029
1874	3,052,325,558	23,743,145 33	9,024,989 07	38.01	.2956	338.20	.7778
AG.	34,535,087,148	247,028,022 89	142,566,856 70	57.71	.4128	241.53	.7152

2. INSURANCE COMPANIES OF OTHER STATES.

YEAR	FIRE RISKS WRITTEN.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	Percentage of Fire Losses to Fm's.	Percentage of Fire Losses to F. Risks wr't'n	Am't of Fire Risks wr't'n to \$1.00 loss.	Average Rate of Fm's on Fire Risks.
1860	567,887,673	5,156,136 18	3,414,696 75	66.23	.6013	166.31	.9079
1861	502,906,689	4,865,819 88	2,975,574 58	68.16	.5917	169.01	.8631
1862	529,267,441	4,442,063 30	2,829,574 13	63.70	.5346	187.04	.8393
1863	589,513,659	5,032,342 32	2,307,030 42	45.84	.3913	255.53	.8536
1864	823,866,793	6,815,369 36	4,161,353 13	61.06	.5051	197.98	.8272
1865	917,510,037	8,367,502 58	5,217,824 56	62.36	.5687	175.84	.9120
1866	1,176,555,214	11,494,557 29	8,600,994 74	74.83	.7810	136.79	.9770
1867	1,308,447,411	15,150,088 27	8,588,777 07	56.69	.6564	152.34	1.1579
1868	1,525,775,378	16,709,542 12	9,095,684 49	54.43	.5961	167.74	1.0051
1869	1,740,609,887	18,816,290 13	10,370,594 02	55.11	.5958	167.84	1.0810
1870	1,695,633,560	17,178,468 59	10,750,132 28	62.59	.6339	157.73	1.0128
1871	1,653,808,930	19,668,996 76	18,835,669 55	91.58	1.0228	97.76	1.1059
1872	1,945,804,854	23,757,005 00	20,302,887 57	85.46	1.0366	95.83	1.2352
1873	2,188,228,509	28,461,976 21	17,115,723 55	60.13	.7821	127.84	1.3006
1874	2,168,641,806	27,845,680 61	12,818,745 95	46.87	.5912	168.86	1.2609
AG.	19,334,457,891	212,751,838 60	136,885,212 79	64.71	.7078	141.25	1.1003

3. AGGREGATE.

YEAR	FIRE RISKS WRITTEN.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	Percentage of Fire Losses to Fm's.	Percentage of Fire Losses to F. Risks wr't'n	Am't of Fire Risks wr't'n to \$1.00 loss.	Average Rate of Fm's on Fire Risks.
1860	1,617,439,267	11,866,548 45	6,993,630 90	58.93	.4323	231.27	.7336
1861	1,530,019,235	10,527,327 76	6,249,689 79	59.36	.4084	244.81	.6880
1862	1,729,988,571	11,308,418 99	7,056,731 57	62.40	.4079	245.15	.6536
1863	2,150,200,798	14,019,658 13	5,656,975 64	40.35	.2630	380.09	.6520
1864	3,166,532,904	20,141,152 68	11,356,624 97	56.38	.3586	278.82	.6360
1865	3,428,105,224	25,419,589 55	17,264,618 33	67.91	.5036	198.56	.7415
1866	3,930,048,321	32,281,404 76	23,913,745 87	74.07	.6084	164.34	.8213
1867	3,812,294,907	36,162,138 45	20,818,269 87	57.56	.5460	183.12	.9485
1868	4,169,495,474	37,395,740 25	19,283,979 11	51.56	.4625	216.21	.8968
1869	4,454,808,663	39,353,578 57	20,054,341 80	50.95	.4501	222.13	.8833
1870	4,509,617,329	37,237,621 73	21,869,440 75	58.72	.4849	206.20	.8257
1871	4,160,365,975	36,821,051 82	31,597,274 18	85.18	.7492	133.46	.8795
1872	4,867,919,143	44,142,079 62	34,612,401 76	78.41	.7120	140.64	.9186
1873	5,121,691,824	52,014,724 79	30,880,609 98	59.36	.6029	165.86	1.0155
1874	5,220,967,364	51,088,825 94	21,843,735 02	42.75	.4183	239.01	.9785
AG.	53,869,494,999	459,779,861 49	279,452,069 49	60.78	.5188	192.78	.8531

TABLE V.

1 INSURANCE COMPANIES CHARTERED BY FOREIGN GOVERNMENTS.

Year.	Fire Premiums Received.	Fire Losses Paid.	Per centage.
1872	11,199,126 63	10,540,548 34	94 12
1873	10,803,345 29	6,851,024 55	63 42
1874	10,556,377 04	4,355,578 82	41 26
Aggregate.	32,558,848 96	21,747,151 71	66 79

Year.	Expenses Paid.	Per centage of Expenses to Premiums.	Amount Written.	Per centage of Fire Losses to Amt. Written.	Average Rate of Premiums on Fire Risks.
1872	2,844,533 46	25 39	1,218,925,983	.8647	1.08
1873	2,954,356 55	27 34	1,117,759,454	.6129	1.03
1874	2,887,020 66	27 34	1,052,382,718	.4138	1.00
Aggregate.	8,685,910 67	26 67	3,389,068,155	.6416	1.04

APPENDIX.

SPECIAL REPORTS UPON FIRE DEPARTMENTS, WATER SUPPLY, &C., OF CITIES.

ST. LOUIS, MO.

HENRY A. OAKLEY, Esq.,

President National Board of Fire Underwriters,

Sir,—In compliance with your request, I beg leave to report that I took the earliest opportunity of visiting the city of St. Louis, Mo., and made myself acquainted with the workings of the Fire Department of that city, and am enabled to give you the following, as the results of my observations :

REPORT.

The city proper extends over an area of nearly forty square miles. The business portion is compactly built. Nearly all the buildings are constructed of brick. One feature was particularly noticeable, namely, the absence of iron shutters to the side and rear windows in a great number of buildings.

The Fire Department comprises seventeen (17) steam fire engine companies, and three (3) hook and ladder companies. Each company is composed of eight (8) men, one of whom is watchman, doing no fire duty whatever as a fireman, but acting as a house patrol, reporting at six o'clock in the evening, and remaining in quarters until six o'clock in the morning.

The engines are of the "Latta" and the "Ahrens" manufacture (Cincinnati); the former are drawn by four horses, and the latter by two horses. *The horses are never harnessed*, except when required for actual service on the occasion of an alarm of fire; several exhibitions were made in my presence, and the average time consumed in the operation was $1\frac{1}{4}$ minutes. *There are no heating apparatus' connected with the boilers of the engines*, steam having to be raised from cold water, which consumes from $3\frac{1}{2}$ to 4 minutes on the small engines, and 5 to 6 minutes on the large engines. Taking this into consideration, and the fact that the horses are not harnessed, the liability for the spreading of a fire may be readily conceived.

A peculiar system prevails in the method of allowing days off duty. Every day one entire engine company is out of service between the hours of six o'clock A. M. and six o'clock P. M., performing no duty whatever.

During this period any repairs required to the apparatus are attended to. In the hook and ladder companies one man is allowed off each day (these companies being considered always on duty).

Recently a fire occurred in an unoccupied frame building on Park Avenue, within 500 feet of the quarters of Engine Co. No. 7, on a day when this company was *off duty*, and the labor of extinguishing the fire had to be performed by a company located nearly one mile distant, resulting in the destruction of the upper story and roof of the premises.

No patrol duty is done by the Department, and "lookouts" are unknown.

Depending entirely on the Fire Alarm boxes, of which there are 165, at least 200 additional are required. The wires are partly on poles, and partly on house tops, and have been in service the past fourteen years, and are in ordinary condition, although 40 miles of new wire have been laid the past year. (The "Gamewell" system is used.) The "gongs" in company quarters should be separated from the "bells" in towers, as the speed on the gongs could then be increased.

Three fuel wagons, manned by three men each, supply fuel to the engines on duty, each wagon having a designated district. The hose used in the Department is the kind known as the "Combination Rubber Hose." Each engine company is allotted 2,000 feet; 1,000 feet is carried on four wheeled carriages, drawn by two horses, and the remainder kept in quarters, as a reserve. Brass pipes are used throughout the Department, rendering it difficult when at work inside of buildings to change direction of the stream without causing sharp turns, and liability from increased pressure to burst the hose.

The force is under the command of the Chief Engineer (H. Clay Sexton), who has three assistants. The men are employed or appointed by the Chief Engineer, who also has the power to dismiss. *They are not uniformed, and when on duty present every conceivable notion as to dress. There are no company officers, or anyone specially designated to direct the affairs, each having his particular duty to perform, such as engineer, driver, &c., and acting independently of the other, the members of each company using their own judgment (while at a fire) in conducting operations, until the arrival of an Engineer officer.* This feature is liable oftentimes to create confusion if not disorder, and occasion at fires greater damage by water than fire. *Relief valves and controlling nozzles are not used in the Department, adding also to the possibility of greater damage, arising from the excessive use of water.*

There is also a Babcock (chemical) engine drawn by two horses, and manned by three men, that performs duty in the business portion of the city.

Hook and Ladder Companies Nos. 1 and 2 carry seven ladders, the longest of which is forty-five feet, together with the usual complement of hooks, &c. No. 3 is known as the "Skinner Ladder," and can be elevated to a height of 93 feet, and is located in the business part of the city.

There is a floating fire steamer attached to the Department, having force pumps, hose, and manned by ten men, but as it is used for other purposes, is not reliable. I made two unsuccessful attempts to find the vessel.

The "underwriters' salvage corps" have quarters on St. Charles Street, near Third. Is very efficient—the horses are *always harnessed*, and are trained to leave the stalls at the sound of the alarm, which is done by wires connecting from stalls to telegraph box (same as in New York and Chicago).

The water pipes are sufficiently large for all purposes, and the pressure in the business part of the city will average 50 lbs. to the square inch.

I would add that the firemen are not permitted to have fire alarm keys,—in case any of them should discover a fire while on the street there would probably be some delay in giving the alarm. Citizens can give a second alarm without notice to Fire Department. There are no *Morse keys in use*.

New York, December 26th, 1874.

UTICA, N. Y.

HENRY A. OAKLEY, Esq.,

President National Board of Fire Underwriters,

Sir,—In September last I visited the city of Utica, N. Y., and examined into the condition of the Fire Department of that city, and beg leave to submit the following :

REPORT.

There are four or five steam engine and one hook and ladder companies, drawn by horses. The horses are employed during the day in collecting and carting dirt, &c., from the streets to the dumping grounds—in some instances a mile from company quarters.

An additional hook and ladder apparatus, built to be drawn by hand, was in possession of the Department, but not in service, and was advertised for sale. In my opinion, there should be at least *two hook and ladder companies* in service, as in the event of an accident in responding to an alarm the absence of this important arm of the service might occasion the destruction of a building, or the spreading of a fire.

Another noticeable feature was the manner of separating the company and apparatus, which is as follows : The engines respond to alarms in certain wards only, while the hose tenders or carriages cover the entire city. It will be seen, the chances for a large fire is likely to occur, for the reason that the "hose carriage" might be in service at a fire, while the engine is in quarters, (with the engineer and driver only) and for the *want of hose* in the event of another fire, the engine would be useless. *It should be remedied at once.*

There is *no fire alarm telegraph*, and the manner of giving alarms is as follows : Upon the discovery of a fire in any part of the city the watchman on duty at the City Hall is notified of its location, he sounds the alarm on the bell in tower by *wards*, and in the absence of a smoke or light the firemen may have difficulty in finding the location of the fire.

There are three permanent men attached to each of the engine companies and two to the hook and ladder company, with an auxiliary force of six men to each, and I would add that as there are *no heaters* attached to the boilers of the engines additional delay is caused by having to raise steam from cold water.

New York, January 7th, 1875.

MILWAUKEE, WIS.

HENRY A. OAKLEY, Esq.,

President National Board of Fire Underwriters,

Sir,—In compliance with your directions, I herewith present my report of examination of the condition of the Fire Department of the city of Milwaukee, Wis.

REPORT.

The Department consists of five (5) steam engine companies of eight (8) men each, including the commanding officer, and one (1) steam engine held in reserve. The engines are all of the "Amoskeag" build, and are of the largest size, and each drawn by three (3) horses. Heaters are attached to the boilers, and water is kept at steam point.

The hose reels or tenders carry six hundred and fifty (650) feet of combination and canvas (rubber lined) hose, which is also in good condition.

Each company has in reserve the same quantity of hose that is carried on a reel, and is well cared for in "towers" in each company quarters.

The hook and ladder arm of the service, which in my opinion is *very important*, is limited to one (1) company of four men, including the foreman and driver, the latter performing no fire duty whatever, his whole attention being given to the care of the horses.

At least three (3) additional hook and ladder companies, with the same number of men as the engine companies, are required, and should be placed in service as soon as possible.

The longest ladder used in the Department is forty-four (44) feet.

A "fire escape" or hose elevator, to be raised to a height of ninety (90) feet, is now being built, and, it is expected, will be completed in a few weeks.

The "Gamewell" system of fire alarm telegraph is in use (partly on house tops and partly on poles), and is in good condition, although the number of fire alarm boxes is inadequate for a city of such dimensions. There are but seventy-three (73) ready for service—at least twenty-five (25) additional boxes are required, as in many instances they are too far apart. The Chief Engineer is also superintendent of the fire alarm telegraph; and as the latter occupies considerable of his time, and must necessarily interfere with his other duties, he should be relieved from the responsibilities of the latter office.

A "supply hose reel" (independent of the engine companies) operated by three (3) men and carrying six hundred and fifty (650) feet of canvas hose, drawn by one horse, respond to all alarms within the city limits.

A chemical engine (not owned by the city) is housed at the head quarters of the Department, but is not in general service, but is sent for as occasion requires it (by an engine team of horses from a fire), and operated by men detailed from the various companies.

The Department force is not uniformed, and keys to fire alarm boxes are not furnished to all of the members.

All full paid officers and men whose entire services are given to the Department should be uniformed, as it tends to promote discipline, and prevent in a great measure the frequenting of saloons, or places where liquor is sold.

A bill is now before the Legislature to incorporate a Fire Insurance Patrol, with every prospect of passage.

My observation convinced me that the Department is not large enough for a city covering so much territory.

As the water supply is abundant for fire purposes (the hydrants in the business part averaging fifty (50) lbs. to the square inch), measures should be taken to organize six (6) hose companies (independent of the engine companies), each carrying about seven hundred (700) feet of hose on reel, to be drawn by one (1) horse, and operated by three (3) or four (4) men. If scattered between the companies now in service, they could extinguish fires (in many instances) without the aid of steam engines.

The chances for a destructive fire may be looked for in case a large building (in East Water Street, for instance,) should be well on fire; the entire

Department would be called in service, thus leaving the rest of the city unprotected, and without an apparatus.

New York, March 4th, 1875.

PHILADELPHIA PA.

HENRY A. OAKLEY, Esq.,

President National Board of Fire Underwriters,

Sir,—Having recently examined the condition of the Fire Department of the city of Philadelphia, Pa., I have the honor to submit the following :

REPORT.

It consists of twenty-seven (27) steam engines and five (5) hook and ladder trucks. The engines are of the "Rennie & Neafie" and "Knowlton" build, and are, generally speaking, in good condition.

The hook and ladder trucks are in good condition—the most of them are of recent build. The longest ladder used in the Department is forty-five (45) feet. Nine (9) ladders of various sizes are carried on each truck.

The engines are drawn by two (2) horses ; also the hook and ladder trucks. Twelve (12) men constitute an engine company, and thirteen (13) men constitute a hook and ladder company. The Department is uniformed, and the men give their whole time to their duties.

Seven (7) (extra) engines are in the possession of the Department, and are used as occasion requires by the companies in general service.

"Relief valves" are on all engines in the business part of the city.

Heaters are attached to the boilers on all engines, and water is kept at steam point.

"Chemical" engines are not used in the Department.

The hose used in the Department is known as the "Combination," is of cheap quality, and in ordinary condition. 10,000 feet has been furnished the Department, at a cost of seventy-five (75) cents per foot (the charter requiring all contracts to be awarded to the lowest bidder). Fifteen hundred (1500) feet is in possession of each engine company, one half of which is carried on "hose reel," each of which is provided with a seat for the men to ride upon.

A great majority of the officers and men of the Department served in the volunteer department, and are, in the main, a splendid looking body of men. If thoroughly disciplined (which in my opinion they lack in some respects), the Department could be made as efficient an organization as I have yet seen.

The company quarters (with few exceptions) were formerly occupied by the volunteer department, and are not adapted for the present organization. In most cases, the stalls for the horses are too far from the apparatus.

"Unhitching" wires connected with the telegraph gongs are generally used.

The "fire alarm telegraph" (upon which the success of the Department is dependent) is known as the "Phillips" or the old "Robinson" (such as was used in New York City at the organization of the present department), was erected and has been in use since 1856, at a cost of thirty thousand (\$30,000), and about the same amount has been expended in repairs, and extending lines. In my opinion *it is not reliable*, and should be substituted by one of more recent improvements.

A glance at the machinery of the central office would show that it is not properly cared for, dust being allowed to settle on the most delicate parts, which are not covered with glass globes, such as can be seen in a well regulated office. The fire alarm boxes are in most cases too far apart, and too few in number. At least three hundred (300) additional boxes are required to ensure reasonable protection. *Fire alarms are not sounded on bells, and the Department depends entirely on the telegraph*, which should be perfect, as the bells have been removed from the engine house towers.

The force of the department consists of one (1) Chief Engineer and five (5) assistants, and an aggregate of three hundred and eighty-nine (389) men, which is not sufficient for a city covering so much territory to properly perform the duties that may be required. In my opinion, six (6) additional engine companies (making 33 in all), and six (6) additional hook and ladder companies (making 11 in all), should be added to the present force.

The rules of the Department permit the granting of leave of absence, not exceeding twenty-four (24) hours at a time, to *two (2) men* from each company.

Patrol duty is not performed in the Department, nor "house watch" during the night. The whole company respond to alarms from the dormitory.

There are four (4) fuel wagons stationed in different sections of the city, and they are sent for as occasion requires by an engine team.

The water supply is furnished by the reservoir system, and several of the steamer engineers informed me that cases have occurred where the supply has been inadequate, especially during the summer season, or when several engines were working from the same main.

The Insurance Patrol, or Salvage Corps, is composed of ten (10) permanent men and seven (7) auxiliaries, and is commanded by ex-Chief Engineer Cusker of the Fire Department. Their quarters are admirably arranged.

Two (2) wagons, each loaded with fifty covers, are housed in quarters, *one* of which responds to alarms within the business part of the city; should occasion require it, the other can be sent for without delay. Fifty (50) additional covers, making one hundred and fifty (150) in all, are stored on the ground floor, to be used in any emergency.

The men are uniformed, and present a creditable appearance.

Two (2) men are on duty during the night as "house watch," which gives them the advantage of the Fire Department.

A steam engine formerly in use in the Fire Department is in possession of the insurance patrol, and kept in their quarters to be used on ruins, or pumping out cellars, &c.

A "repair shop" has recently been established at the head quarters of the Department, where it is prepared to do all the necessary repairs to the apparatus of the Department.

New York, April 5th, 1875.

BALTIMORE, MD.

HENRY A. OAKLEY, Esq.,

President National Board of Fire Underwriters,

Sir,—At your request, I examined the condition of the Fire Department of the city of Baltimore, Md., and beg to submit herewith the following:

REPORT.

The Department consists of twelve (12) steam engines, of the "Poole & Hunt" and the "Ives" build, and are in good condition, generally speaking. Three (3) spare or reserve engines, in ordinary condition, are stored in the engine houses. "Heaters" are attached to the engines in the business part of the city, and "relief valves" are attached to all engines.

A lot has recently been purchased, corner Fremont and Chatsworth Streets, for a new engine company (No. 13), and proposals have been advertised for the erection of an engine house on the same.

Each engine company is composed of three (3) permanent men and nine (9) auxiliaries. The latter follow other business, and respond to alarms which are sounded on bells in towers on the engine houses.

There are three (3) hook and ladder companies, of two (2) permanent men each, and ten (10) auxiliaries.

The "permanent men" are required to reside within four (4) blocks of their respective company quarters. Upon the sounding of an alarm in any part of the city all of the auxiliaries are required to repair to their respective company quarters (except those companies that answer the alarm), and there remain, until the companies that have been on duty have returned to quarters. A "return call" is sent to all engine houses by means of a "side" or "Morse" key on the telegraph, when "roll call" is had, and the men dismissed.

Fines are imposed upon the absentees, and if frequent, they are dismissed. This rule is, in my opinion, enforced.

One-half of the auxiliaries are required to sleep in quarters alternately.

The hose used is the "Combination" or rubber. Nine hundred (900) feet is carried on "hose reel," drawn by two (2) horses, and is in good condition.

A reserve "hose reel," carrying seven hundred (700) feet of hose, in ordinary condition, is stationed in each engine house, and sent for by an engine team if required.

Three (3) fuel wagons are stationed in different sections of the city, and are sent for as required.

The hook and ladder apparatus is in good condition, and carry "extension" ladders, which can be raised to the height of seventy (70) feet.

An accident (caused by the breaking of the upper section of the extension ladder of Hook and Ladder No. 1, at Magnis' cedar manufactory on Pratt Street, a year ago, by which four men were injured,) has caused a fear on the part of the men to ascend, and is rarely used.

In quarters of Hook and Ladder 1 is housed an extra or spare hook and ladder truck, *without ladders*. As it is the only spare truck, it should be fully equipped, and ready for immediate service.

In the event of a second alarm, the quarters of the companies absent on duty are occupied by other companies designated as per general orders, and covering all vacant ground.

The horses are fastened in stalls by halters, and each has to be unhitched separately by men from the dormitory, as no "house patrol" duty is performed.

The "Gamewell" system of telegraph is used, and is in ordinary condition. There are but eighty (80) street boxes, with a "side key" or Morse instrument

in each company quarters, making ninety-four (94) stations in all, where alarms can be transmitted to head quarters. The Police can also transmit alarms from the several station houses to head quarters of the Department.

The subject of furnishing a new telegraph, with an additional number of street boxes, &c., is now pending before the Common Council, and has been thoroughly canvassed.

Mr. Gamewell and Mr. C. T. Chester of New York City exhibited recently at the request of the Common Council their improved system, and I am of opinion either one of them will be successful in obtaining a contract.

The "salvage corps" is composed of four (4) permanent men, and five (5) auxiliaries. The latter do not sleep in quarters. The horses are fastened in stalls, same as in the Fire Department, and are unhitched by the men from the dormitory.

One hundred (100) covers are in possession of the corps, twenty-five (25) of which are carried in wagons; the remainder are stored on the third floor.

New York, April 5th, 1875.

ALBANY, N. Y.

HENRY A. OAKLEY, Esq.,

President National Board of Fire Underwriters.

Dear Sir,—I herewith report the condition of the Fire Department of the city of Albany, N. Y., as found upon examination:

The Department consists of eight (8) steamers, of the Amoskeag build, most improved pattern, and there are two (2) engines in reserve, in ordinary condition. Sutton "heaters" (of Detroit), reputed to be the best in use, are attached to the boilers of all engines, and water is kept at steam point. Two (2) hook and ladder trucks, each carrying the necessary number of hooks and other tools, including two (2) fire extinguishers (Babcock's). They have one (1) spare truck in reserve, in ordinary condition. Relief valves and controlling nozzles are not used in the Department.

Each engine company is composed of three (3) permanent men—an engineer, assistant engineer and a driver—and eleven (11) auxiliaries, who follow other occupations, and receive \$75 per year. The truck companies are composed of two (2) permanent men—driver and tillerman.

The permanent men only sleep in quarters.

The Gamewell telegraph is used, and is in good condition.

The wires are run over the house-tops in the business part of the city, and on poles in the dwelling or outer portion.

Sixty-five (65) street fire alarm boxes are in operation. Eight (8) are now in Headquarters, and will be placed in operation in a few days, as soon as weather permits.

The fire-alarm bells are struck by electricity, and consequently are of slow motion.

At least ten (10) additional fire alarm boxes are required in the outer portion of the city, which is mostly composed of frame dwellings, thickly settled.

The Hose Depot is established on Hamilton Street, near Philip, and one bad feature is that the companies are required after using hose at fires, in no

matter what part of the city same occurs, to proceed to the Depot and get a change of hose. In some instances the engine houses are located a mile and a half from this Depot, and half an hour would probably be occupied in effecting this change. The importance of this consumption of time in making such change is apparent, and measures ought to be taken to remedy it at once.

Double-riveted leather hose is used in the Department, and same is in good condition, generally speaking.

Each hose carriage carries seven hundred and fifty (750) feet of hose, and the same quantity is stored at this hose depot. Twenty-five hundred (2500) feet of canvas hose has just been added to the Department on trial.

An additional hook and ladder company is, in my opinion, much needed in the vicinity of Central Avenue and Snipe Street, as it will cover all that portion of the city back of the Capitol, which is mostly frame.

The company quarters are kept in very good condition, and two (2) portable fire extinguishers are kept in each.

There is a laxity of discipline in the Department ; minors and others, other than members, are permitted to lounge in company quarters, and card-playing is permitted.

The chief engineer indulges in no familiarity with his men, and is disposed to enforce discipline, but a higher authority is responsible for the laxity in discipline that exists.

At least two (2) additional permanent men are required in each of the companies, as the first five (5) minutes in getting an effective stream on a fire often results in heavy losses.

Troy, some six miles distant, has five or six steam engines, and I would suggest that measures be taken to have the hose couplings of either of the two cities altered so as to be used in conjunction and act as one department, as it were, in case of a large fire in either city.

New York, April 19th, 1875.

PROVIDENCE, R. I.

HENRY A. OAKLEY, Esq.

President National Board of Fire Underwriters.

Dear Sir:—I herewith submit my report of examination of Fire Department of Providence, R. I.

The Fire Department consists of eight steamers (four Silsby-rotary and four Cole-piston), in good order. Three of the engines in the business part of the city are not used, except when sent for, as the water pressure, which averages 75 pounds to the square inch, is sufficient for all ordinary purposes,

The five engines in service are located in the outskirts, or on the Hills, where the pressure is not so good. Seven hose companies, of ten men each, (two permanent men and eight auxiliaries), are attached to each company, and are located in the quarters formerly occupied by the engine companies in the business portion of the city.

The engine companies are composed of ten men each, including the three permanent men—engineer, assistant engineer, and driver.

There are three hook and ladder companies, of eleven men each, the driver alone being permanently employed.

Only one extension ladder of 65 feet is used in the Department.

Hook and ladder companies Nos. 2 and 3 are in ordinary condition and carry eight (8) ladders, the largest of which is 40 feet. Same is drawn by one horse and performs duty in the outer portions of the city, except on second alarms.

I observed a scarcity of hooks on the trucks in the outskirts—that is, Nos. 2 and 3.

The importance of two additional men in the hook and ladder companies can be seen at once. For instance, if a fire should occur during meal hours there is no one in company quarters to proceed with the apparatus.

The combination or gum hose is used by all companies in the business parts of the city, and is almost new, costing \$1.25 per foot.

Six hundred feet (600 ft.) is carried on tender, and 600 feet in each company quarters.

The hydrants are of the Lowry surface pattern, such as are used in Boston.

Leather and combination hose, in ordinary condition, is used by the companies in the outskirts, and 700 feet is carried on the reel or hose carriage, with the same quantity kept in company quarters.

Hydrants located on the sidewalks and in the business part of the city average 250 feet apart, and about 400 and 500 feet in the outskirts. As soon as weather permits pipes will be extended in the outskirts.

A Skinner ladder that can be raised to the elevation of 84 feet will be placed in service in a few weeks, being almost completed.

Three additional hose companies will be organized as soon as quarters are erected, two of which are nearly completed.

Controlling nozzles are used throughout the Department.

The Gamewell system (automatic) is in operation.

A new "repeater" has lately been added.

There are 82 fire alarm street boxes in operation, nearly all of the wires running over the house tops.

Fire alarm bells are rung by electricity, and connect with gongs in company quarters (slow motion).

The Department is not uniformed, and the chief engineer appoints all of the working force.

A "Salvage Corps" has recently been organized, and is under the control of the chief engineer. The chief engineer is also superintendent of the telegraph, and in case of repairs to wires the services of the permanent men are called into requisition for the purpose—which is a bad feature, weakening an already too small force.

In my opinion what is required is the addition of two permanent men to each of the hook and ladder and also the hose companies, especially in the business parts of the city.

New York, April 19, 1875.

NEW HAVEN, CONN.

HENRY A. OAKLEY, Esq.,

President National Board of Fire Underwriters,

Dear Sir :—I herewith submit my report of examination of the condition of the Fire Department of the City of New Haven, Conn.

The Fire Department consists of six (6) steam companies and two (2) hook and ladder trucks.

The engine companies are of the Hunneman and the Jeffers' build, and are in good condition. Two (2) Johnson engines, in ordinary condition, are held in reserve. "Heaters" are not used in the Department, except on Engine Co. No. 2, which is merely an experiment. One hook and ladder truck, (new) carrying an extension ladder 70 feet in length, with all the modern improvements, is located in the business part of the city, on Artisan Street. No. 2 is located at Fair Haven, about 2 miles distant from the City Hall, and performs duty at Fair Haven, except in cases of second alarm.

Three permanent men—engineer, assistant engineer and driver—are attached to each of the engine companies, in addition to which there is an auxiliary force of eleven men to each company.

Two hosemen, in addition to the three permanent men, are required to sleep in each company's quarters.

Each hook and ladder company is composed of two permanent men—driver and tillerman—and twelve auxiliaries, two of which are required to sleep in each company quarters.

Double-riveted hose is used throughout the Department, and is in good condition. Six thousand (6,000) feet have been added to the Department during the past winter, at a cost of \$1.35 per foot. Each engine company is supplied with two thousand (2,000) feet. Each tender or hose carriage, which are of the Amoskeag build, carries eight hundred (800) feet. A supply hose company, carrying 800 feet of hose, drawn by one horse—the driver of which only is permanently employed—attends all fires in the business portion of the city.

The Gamewell system of telegraph is used, which is in good condition. Nearly all the wires are run on poles. Five fire alarm bells are struck by electricity, and are on the same circuits as the gongs in company quarters.

A volunteer hand engine is located at Newhallville, in the outskirts, for the protection of property in that vicinity.

A fuel wagon is stationed at the Supply Depot on Water Street, in the business part of the city, and is always ready for immediate use.

An additional hook and ladder company is much needed, in my opinion, on the west side, say in the vicinity of Engine Co. No. 1's quarters, on Congress Avenue.

The Chief-engineer is captain of the New Haven Grays, a military organization, and is a thorough disciplinarian.

Politics have lately been attempted to be introduced into the Department, which, if persisted in, will tend to have a demoralizing effect.

In my opinion what is required are two additional permanent men to each company, as cases have occurred where during meal hours companies have been very short-handed; and heaters ought to be attached to the boilers of each engine, as five or six minutes are required to get up steam, and should a fire occur in the immediate vicinity of any of the engine houses great loss might result from want of the same.

New York, April 19, 1875.

ADDRESS

TO THE

National Board of Fire Underwriters,

OF THE UNITED STATES,

BY

HENRY A. OAKLEY, PRESIDENT,

AT THE

Pecennial Meeting,

HELD IN THE

CITY of NEW YORK, APRIL 26, 1876.

New York :

CHARLES H. OLAYTON & CO., PRINTERS AND STATIONERS,
157 AND 159 PEARL STREET,

1876.

1. The first step in the process of creating a new product is to identify a market need.

2. The second step is to develop a concept that addresses the market need.

3. The third step is to create a prototype of the product.

4. The fourth step is to test the prototype and gather feedback from potential customers.

5. The fifth step is to refine the product based on the feedback received.

6. The sixth step is to create a business plan for the new product.

7. The seventh step is to secure funding for the product development.

8. The eighth step is to manufacture the product.

9. The ninth step is to distribute the product to the market.

10. The tenth step is to monitor the product's performance in the market.

11. The eleventh step is to make adjustments to the product as needed.

12. The twelfth step is to continue to improve the product over time.

13. The thirteenth step is to expand the product's reach to new markets.

14. The fourteenth step is to build a strong brand identity for the product.

15. The fifteenth step is to establish a competitive advantage for the product.

16. The sixteenth step is to create a loyal customer base for the product.

17. The seventeenth step is to maintain a high level of customer satisfaction.

18. The eighteenth step is to ensure the product is profitable.

19. The nineteenth step is to adapt to changes in the market.

20. The twentieth step is to continue to innovate and improve the product.

21. The twenty-first step is to build a strong network of industry contacts.

22. The twenty-second step is to establish a strong reputation for the product.

23. The twenty-third step is to create a strong marketing strategy for the product.

24. The twenty-fourth step is to build a strong sales team for the product.

25. The twenty-fifth step is to establish a strong distribution network for the product.

26. The twenty-sixth step is to create a strong customer support system for the product.

27. The twenty-seventh step is to build a strong brand identity for the product.

28. The twenty-eighth step is to establish a strong competitive advantage for the product.

29. The twenty-ninth step is to create a loyal customer base for the product.

30. The thirtieth step is to maintain a high level of customer satisfaction.

ADDRESS.

It has always been thought wise in the progress of the world's history that a retrospect be taken of certain periods which mark great changes or improvements, either in the material wealth or in the elevation of the human race through the triumph of great principles. It being beneficial to the body politic that those who come after should see from what stand point such interesting events had been viewed, and be thereby enabled to profit by the experiences or errors of the past. Such a period this association has reached, for it closes to-day its decennial year. I feel therefore that a short survey of the rise and progress, not only of the National Board, but of the business of fire insurance during the past ten years, may not be inappropriate or unprofitable.

I do not propose to detain you with a rehearsal of the causes which led to the formation of the Board,—you are already sufficiently familiar with them,—but I desire to place before you a few of the results which have followed from our efforts. Foremost among these benefits, I place the elevation of the business from one almost of contempt to a front rank, both in importance and usefulness, among other professions. The material advantage which companies have derived from our efforts is small when compared with that which the whole country has received. The Board has been the pioneer in the many wise and salutary laws which have been enacted for the erection of buildings; the prevention of fires; the introduction of that blessing to the people and great medium of safety, a proper

water supply; the organization of fire departments; the improvement of those in existence; the introduction of fire patrols into the larger cities; the detection and punishment of incendiarism and arson; the better classification of the various hazards of the country; the improvements introduced into manufactories for their protection, and the greater security which every where pervades our land. At the time of the inauguration of the Board, we found the country generally destitute of efficient means of fire protection; not more than twelve or fifteen places had introduced steam into their fire departments. To-day no less than 275 cities, towns and villages have steam fire engines in use, while 90 places have efficient fire patrols, 78 have paid fire departments, 65 public water works, and 87 an efficient water supply by gravitation,—these are but a few of the benefits.

The number of insurance companies has largely increased, while the capital engaged in the business, which in 1866 was \$44,410,000, has been augmented to \$55,883,000, notwithstanding a loss of over fifteen millions by the great fires of 1871-72; this is exclusive of the large amount of foreign capital which has in the last ten years found its way to our shores.

The premium receipts which in 1865 amounted to about \$29,529,000, during the past year were \$64,900,000, while the losses which in the same year were \$17,265,000, have increased only to \$31,960,000, and as showing the advance of the country in material wealth, the amount covered by insurance which, in 1865, was \$3,428,000,000, now amounts to \$6,273,000,000.

The receipts for premiums during the ten years of the Board's operations, amounted to \$510,872,000, while the previous ten years, seven only of which have we any official records of, showed gross receipts of \$168,868,000.

During the same period, the companies still in existence paid \$275,212,000 in losses. The business began its advance soon after the formation of the Board, and its greatest prosperity has been in the years when the operations of

the Board were carried out with the fullest integrity. These are a few of the results which we have accomplished through a voluntary organization, not always wisely administered perhaps, but containing so much of the element of conservatism and safety, that the business has, under its care, become one of the most important in our land. We are now ready to turn from this retrospect to the contemplation of what a single year has done, none the less important because of the more limited period it covers.

RESULTS OF BUSINESS.

In reviewing the results of the year as to our special interest, it was natural we should take into consideration the unexampled depression in business, resulting in the failure of a greater number of commercial houses than the records of our country have shown since that year of disasters, 1837, and to look for a large decrease in receipts from the general dullness under which every other branch of industry was suffering, for the stagnation seemed to pervade the whole country. Yet, to our surprise, in summing up the result, we find that we have been to a great extent free from the inactivity that has characterized other branches of trade, and even show an increase in the amount of risks assumed by the companies, evidencing a larger if not so profitable a business.

The careful analysis of the year which I have prepared from the official tables published by the New York and Massachusetts departments, embraces the experience of 199 American and 14 foreign companies, the largest number ever collected in the statistical tables that have been presented to you. As a general summary it shows a decrease in the amount of premium receipts, an increase in the losses, expenses, and dividends, as well as in the amount at risk, and a moderate increase in the assets of the companies. We will now present it to you in detail.

TABLE NO. 1—DIVIDENDS.

The capital employed for the year was \$55,383,020, and

increase of \$2,331,830 over 1874, and a larger amount than has ever before reported to the New York Department. The dividends of the year on this capital averaged for

New York State Companies..... $13\frac{71}{100}$ per cent.

Insurance Companies of other States.. $13\frac{21}{100}$ per cent.

compared with 1874, it shows a gain of $1\frac{31}{100}$ per cent. for New York State companies, and $\frac{16}{100}$ of one per cent. for companies of other States. The increase in the former making it the largest annual per centage ever made by the New York companies. The average of the seventeen years included in the tables is $10\frac{84}{100}$ per cent. against $10\frac{60}{100}$ for the sixteen years, a gain of $\frac{24}{100}$ of one per cent.

TABLE No. 2—PREMIUMS AND LOSSES.

We record a per centage of losses paid to premiums received during 1875 for

New York State Companies of..... $43\frac{38}{100}$ per cent.

Insurance Companies of other States.. $52\frac{45}{100}$ per cent.

Foreign Companies..... $41\frac{76}{100}$ per cent.

The aggregate average for American companies was $48\frac{33}{100}$ per cent., against $42\frac{75}{100}$ in 1874, an advance of $5\frac{58}{100}$ per cent. The average for the year, including foreign companies, was $47\frac{16}{100}$, against $42\frac{60}{100}$ per cent. for 1874. For the seventeen years we have a grand annual average of $59\frac{46}{100}$ per cent., against $60\frac{62}{100}$ per cent. for the sixteen years.

The total amount of premiums received

during 1875 by American Companies

was.....\$49,808,257

And by Foreign Companies 10,808,472

A total of.....\$60,616,729

Or a decrease of \$1,028,474, as compared with 1874, or about $1\frac{70}{100}$ per cent.

Of this amount there was paid out for losses \$28,590,623, an increase of \$2,391,309 over 1874.

In addition to the above, \$4,306,338 was received by the same companies for inland and marine premiums, and

\$3,375,748 paid out for losses, or an average of $78\frac{32}{100}$ of such receipts on this class of business.

The total receipts for premiums were \$64,923,067, and the total losses paid \$31,966,371, or $49\frac{24}{100}$ per cent.

TABLE NO. 3—EXPENSES,

The per centage of expenses upon the whole premium receipts for 1875 was, including foreign companies, $31\frac{52}{100}$, against $30\frac{64}{100}$ in 1874, an increase of $\frac{28}{100}$ of one per cent.

The whole amount paid for losses on fire risks in 1874, as stated previously,

was.....	\$28,590,623
For inland and marine losses.....	3,375,748
For expenses.....	21,479,734

\$53,446,105

Or $82\frac{32}{100}$ of the receipts of the companies for 1875, showing an excess of.....\$11,476,963
to which add for interest on investments.... 4,598,306

Making in all.....\$16,075,269
and deduct

Dividends paid.....\$7,450,232

Profits of Foreign Companies... 3,030,046

\$10,480,278

And we have.....\$ 5,594,991

added to the assets of the American companies during the year. If from this amount we deduct the deficit of \$3,824,867 shown last year, we have, as the grand result of the business since 1872, a surplus beyond payments, (after paying to the stockholders of companies an average dividend of $10\frac{74}{100}$ per cent. for the time,) of \$1,770,124, or $3\frac{21}{100}$ per cent. upon the capital.

TABLE NO. 4—PER CENTAGE OF ABILITY.

This table shows an increase in the amount of risks assumed by the companies during the year, as compared with 1874, of \$290,127,674, and also shows a decrease from

\$239,000 in 1874, to \$227,000 in 1875, of the ability to write on the part of American companies, bringing the average to nearly that of 1869. There has also been a further decline in the average rate of premiums obtained to $\frac{8077}{10000}$, within a fraction of what it was in 1871, so that already we have lost nearly all that was gained in this respect by the several advances in rates in 1871 and 1872. When we take into consideration the fact that the loss rate during the past year has steadily increased, we cannot regard the outlook for the business as flattering; the clamor which we are constantly hearing for a still further reduction of rates, and the fact that the loss rate for the first three months of 1876 is largely in excess of last year, being equal in amount to the losses of the first six months of 1875, presents matter for the serious consideration of all those who desire the permanence of the business upon a remunerative basis. I trust that in your deliberations for the future of the Board, these pregnant facts will not be overlooked.

AUXILIARY COMMITTEES.

As you are aware much of the detail of the National Board business is transacted by the three auxiliary committees of the Executive Committee, whose membership is largely composed of members of that Committee, and in the case of New York entirely so. These consist of the

New York Provisional Committee.

New England Provisional Committee.

Committee of Co-operation.

The frequent meetings held by them, as often as once or twice in a week, enable them to dispatch business, give relief in needed quarters, and keep an oversight of matters in their respective districts. As all their proceedings and actions are reported monthly at the regular meeting of the Executive Committee, and subject to their revision, no injustice can possibly accrue to the interests of any member. I have been thus particular in speaking of these Committees as I am satisfied that an erroneous impression has prevailed in regard to their powers and action.

The Board, finding that they were unable to answer all the calls made upon their special agents for revisions of tariffs, by special resolution, defining strictly their powers, authorized the reorganization of the State Boards of Ohio, Pennsylvania and New York, as well as the Western Board, the latter at St. Louis in September last. Committees from these bodies have acted in connection with our special and supervising agents in revising rates, where the needs were pressing; but in all cases with the concurrence and assistance of the local boards. This service was rendered without expense to the Board, and resulted favorably in many places, and I desire here to record my own sense of the value of these voluntary services, and to express the thanks of the Board to the gentlemen who have rendered them.

I am not unmindful of the fact that a feeling has sprung up among companies who are members of the Board, that too much power is exercised or controlled by the Executive Committee, which, being composed in all of but eleven members, is thereby not supposed to reflect as fully as it ought the policy of the Board. Being, by your vote, an *ex officio* member of the Committee and a constant attendant at its meetings, I must, in all candor, say that the suspicion—for I believe it has never taken the form of an accusation—is not well founded. The Committee has been very reluctant to assume any powers not directly delegated to it by the Board itself, and, when doubtful of its powers, has refused to exercise them.

There is but one remedy for any suggestion of this kind, and that is, more frequent meetings of the Board itself. This I have before urged upon you, but without response on your part. I know that your Executive Committee would hail it as a great relief of responsibility from themselves. At least three meetings a year should be held, as I am satisfied that this frequent intercourse between the members would have a tendency to remove all feeling of distrust that special interests might be overlooked or neglected, or that an unwise policy could take the place

of a more prudent one. I, therefore, recommend that provision be made at this meeting for a more frequent assembling of the Board.

SUPERVISING AGENTS.

The Board during the past year have had the services of—

Messrs. Wm. S. Denny,
I. S. Blackwelder,
Geo. A. Holloway,
Charles T. Webster,

as general supervising agents.

J. B. Visscher,
J. W. Covington,
William Muir,

as special agents.

Of these Mr. Denny retired from our service in July last to assume the Secretaryship of the Shawmut Insurance Company of Boston, and Mr. Blackwelder closes his duties on the 1st May next to assume the associate management of the Western Department of the Scottish Commercial Insurance Company. The other gentlemen still remain in our employ; Mr. Holloway's field being the Western States, and Mr. Webster's New England, under the special direction of the New England Provisional Committee, Mr. Visscher's New York State, Mr. Covington's the Southern States, and Mr. Muir in Pennsylvania. Mr. Chas. H. Ford retired from his position of supervising agent in May last to accept the duties of assistant general agent, to which position he was then elected by the Executive Committee.

In addition to these gentlemen we have also had in our employ Mr. C. C. Griswold and E. J. Barney on general duty, while Messrs. J. B. Rowley, J. H. Wheelock, George W. Hall and W. F. Hawxhurst have been employed during most of the year under the immediate direction of the Committee of Co-operation, whose report gives full information of the extent and character of their labor. Of these gentlemen Messrs. Muir, Wheelock and Hawxhurst still remain with us.

The reports of the supervising and special agents which will be presented to you show a larger amount of labor performed than is often recorded ; and when we reflect upon the many delicate and disagreeable duties discharged by them, so carefully and judiciously, we do not wonder that the position of supervising or special agent of this Board has proved a sure stepping stone to promotion to other and more responsible positions in the business. There is no expenditure incurred by the Board which has promoted its interest so much as the appropriation for supervising and special agents, and I trust that not only will there be no diminution of it, but such an enlargement of the force as will secure greater promptness in covering the vast field within the jurisdiction of the Board.

LOCAL BOARDS AND AGENTS.

The several years which have elapsed since the Board, through its committees and special agents, undertook the task of organizing local Boards throughout the country, have taught us that no branch of our work requires such constant and watchful care as this. The many changes constantly recurring in the personnel of the Boards, seem to render a supervision at all times necessary. During the past year we have had under our direction 1,111 local boards, with a membership of 8,932 agents, showing an increase of 87 local boards since the last annual meeting. There are on file at the Board rooms 1,104 tariffs, embracing 3,783 places, an increase of 151 tariffs and 343 places, since last year.

In some places, limited, we are glad to say, in number, the demoralization among agents has caused much trouble, and our task has been the difficult one of reconciling differences which have arisen from the sharp competition, and we regret to add unfair practices of agents towards each other.

It was felt that a necessity existed in many towns for a revision of the tariffs hastily established in 1871 and 1872, and your Board undertook this task under a

sense of its justice. Allowances have been made for improvements, both in construction and in facilities for fire protection, and we have to report as the result of these labors that the rates of no less than 915 places have been carefully examined and revised in whole or in part. These revisions have been conducted by our special agents, and in some places by committees of State agents of companies, and in all with the concurrence and help of the local boards.

We have also to record that during the year ending April 1st, 1876, 29 trials have been held by our supervising agents, resulting in the conviction of 121 local agents. The amount of fines imposed during the year was \$6,293.25, of which \$4,883.05 has been paid into the National Board treasury; \$980.00 has been remitted to agents on a rehearing of their cases on appeal; \$441 is in process of collection, and \$969.25 remains unpaid. The agents representing this last amount, as well as that reported unpaid last year, have, in almost every case, been removed by companies, and, representing no National Board members, are beyond our jurisdiction. It will be seen that there has been an increase in the number of violations of the rules and tariffs over former years, and though the utmost care, patience and leniency have been exercised in investigating these charges, the fact still remains that the offences have increased, not diminished. In the examinations made, it has been proved that a large number of these cases is the result of divided allegiance, that is, of agents representing in the same agency, companies, members of the National Board and those who are not of us. We have too often found that the offers of larger rates of commissions and other compensations made to agents by companies who are not governed by our rules, have proved too strong a temptation for men whose self interest and sense of duty are thus brought in conflict. Experience has taught us that the rate of commission established by the National Board is all that prudence and the results of the business can justify, therefore the members of this body

cannot be competitors with others for any greater commission to agents.

For this state of affairs I can see but one remedy, therefore I feel it my duty to urge upon you as a matter of stern necessity, if we would arrest the demoralization, the complete severance of the business of the members of this Board in the hands of agents from that of companies who are not of us. The better class of agents I feel assured will hail this policy as one which they can heartily sanction, and which will relieve them of any possibility of divided allegiance. I trust to see such action taken at this meeting as will inaugurate this new policy, which under no circumstances can work either injustice or hardship to a local agent. It is to be expected that in a business like ours, into which, during the last four years, have come so many new and inexperienced candidates for the public favor, there should be a wide divergence of opinion, both as to the policy to be pursued and the compensation to be secured for the protection of property upon which our policies are issued, and, while the members of this Board concede most willingly that all companies have a right to their own views in carrying on the business, yet the results rehearsed in your hearing to-day, the terrific warnings of 1871-1872, and the lesser ones of 1875 and 1876, show that *solid protection* to the holders of fire insurance policies in this country is only possible when remunerative rates are obtained, and the cost of conducting the business is reduced to at least the average of the last fifteen years. Any other course leads but to inevitable disaster. It needs no prophet to predict what will surely take place; the record of the past ten years is strewn all over with wrecks of companies whose prosperity was for a time the envy of many of their competitors, and whose ultimate fate was directly traceable to a disregard of the conservative practices and dearly bought experience of other companies, as shown in the printed records of the various State insurance departments. Results which were not only felt by those whose cupidity led them to follow their own mis-

taken notions, but also by large numbers of innocent and ignorant persons, who were dazzled by the brilliant luminary which shone for a short period resplendent above the general horizon, and then disappeared forever. Are not the ranks of underwriters at this time full of just such insurance companies, and can we look for any different fate for these than that of their predecessors?

STATE LAWS IN REGARD TO INSURANCE.

The adjournment of most of the State Legislatures, which has so recently taken place, relieves us of one of the causes of anxiety in regard to our business. The ingenuity of the modern legislator, from Maine to Texas, being apparently annually taxed to invent new hindrances, and impose additional burdens upon the business of Fire insurance. That we have thus far escaped serious injury, is due in great measure to the active, earnest efforts of a few of our members, who have aided us in preventing the imposition of unfair, and the repeal of obnoxious laws. The report of the Standing Committee on Legislative subjects will place before you some of the many plans that were devised for our injury. That the efforts of the year have not been without good results, is shown in the defeat of the proposed deposit bill in Georgia, and also successful opposition to the bill introduced in Kansas, where, among other things, it was provided "*that when policies are made payable to others than the insured, no act of the insured, after the delivery of the policy and after the assignment of the same for the benefit of the other person, shall forfeit or void it.*" The deposit law system, which seems to rise periodically to the surface in the Southern States, but which we are gratified to be able to add, now exists in only three States, viz.: Mississippi, Virginia and Oregon, is a relic of that class of legislation which has been accustomed to regard corporations as not possessed of the rights guaranteed to other bodies of citizens. It has usually been inaugurated at the earnest solicitation of local companies, who desire

to retain the entire business of their States within their own control. Such, at all events, was the origin of the laws of Oregon and Virginia, but this narrow view, if applied to any other profession or trade, would only result in injury to those who create such laws. One effect of such legislation has been to place upon the statute books of other States what are called retaliatory laws, which require the same deposit in those States that is required in the one from which the company originates. The result has been to confine companies of moderate capital strictly within the borders of their respective States, and thus prevent any extension of their business. In none of the States or in Canada where deposit laws now exist, have any large number of National Board Companies complied with them. In short, this Board is opposed to any laws which seek to restrain the business of insurance, except those which refer to the solvency of the companies, and hence, to be logical and consistent in its action, it must oppose laws which cannot be defended as affording additional security to insurers. The uniform promptness with which the assets of insolvent companies in the great conflagrations which the past few years have brought to us, were collected, shows that after all, honesty of intention and conservative management are more to be relied upon than deposits of any given sum can ever be. The principle that underlies this system is fallacious in the highest degree, and results only in the destruction of that solid and aggregate indemnity, which is pledged in our policies to all of our insurers. We have no capitals in the business that are large enough to comply with such laws if they existed in all of the States, and if they are proper for one they certainly are for all; and if we had, what security would a paltry deposit of \$50,000 or \$100,000 offer, when compared with the aggregate capital of a million, or more, liable for its policies wherever located. If there be any force in the argument urged in its favor, then the great States of New York, Pennsylvania, Ohio and Massachusetts should, in propor-

tion to the business transacted, absorb for their exclusive protection more than three-fifths of all the capital at present employed in the business of insurance, the balance being left for the security of property in the other thirty-three States of the Union. Another question naturally presents itself in reference to the deposit of funds in States; whether companies have either a legal or moral right to alienate any portion of their capitals for the protection of privileged creditors, and to put these funds for years beyond their control. They should at all events appear as a liability against their assets, in order to commit no injustice upon their insurers elsewhere, or their stockholders.

Clearly, then, it is the interest of this Board, which proposes to be, and really is, national, in its efforts for the good of the business, to resist decidedly all such laws as would limit the operations of companies to their own State boundaries, and instead of protecting and rendering more desirable their home institutions, reduce them to insignificance both in commercial importance and assets, by withdrawing that great incentive to progress, competition, from honorable rivals.

I have on previous occasions adverted to the gross injustice of the system of taxation, adopted in nearly if not all of the States, who, through their Insurance bureaus; their municipalities or their fire department, or by licenses, make out in some way or other to secure not less than two per cent. of the gross premiums of the Company, which is, in effect, equal to nearly seven per cent. of the net profits secured by them in some places where they have freely risked, and in others lost portions of their capitals. The prospective new burdens which we have to contemplate; would seem to resolve themselves into a question, whether the business shall continue to be prosecuted, and its benefits enjoyed by those who have looked to the capitals to save them from bankruptcy in times of disaster. Such burdens must, in time, enhance the cost of insurance, and in this way discourage it among the people. In the figures

compiled by the New York Insurance Chronicle, as the result of fires in the United States in 1875, it appears that out of an aggregate loss of seventy-eight millions of dollars, only thirty-nine millions were insured, and on special risks, on an aggregate loss of \$50,350,000 only \$25,500,000 was covered by insurance. It can thus be seen how large a proportion of our people decided to take the risk of loss rather than pay the present very moderate cost of protection. Should we by reason of the higher taxation be compelled to again advance the cost, would there not be a much larger proportion lost to our industrial classes in the future? No nation that puts out of positive existence, without equivalent, so vast an amount of property yearly, can hope to recover rapidly from business depressions for it is sinking so much of its solid capital by fires. What, then, can we do? We can and we must resist the growth of these laws before they become too burdensome for us to bear, and it is in this view I regret that no action was taken in regard to the suggestion made by me at the last annual meeting for the formation of a permanent and effective Bureau within the Board. The statements then made apply with more force at the present time. The constant aggression by the States and municipalities upon the insurance interests would go to show that all parties engaged in the business, whether it be Fire, Life or Marine, have an equal interest in the prevention and modification of the unjust laws and burdens laid upon the companies. A union of all the interests for self protection is in the highest degree important and necessary. At present all work at the disadvantage of not knowing what the other is doing, and too frequently well meant efforts prove ineffectual for want of coöperation. Should such an organization for mutual defense be created, we should be able at all times to resist intrusion upon our rights with success. The plan adopted by the Chamber of Life Insurance would be an excellent model upon which to base it, and the members representing the fire branch could be chosen from our best

and most sagacious members at each annual meeting of this body. The record of the laws sought to be fastened upon the business the present year is enough to create alarm as to the future of our business, for we have not only had to contend with deposit laws, and tax laws for state and municipal purposes, but laws impairing the validity of our contracts, and imposing restrictions as to the contracts to be made with the insured—prescribing the size of type in which our policies are to be printed, and imposing exemplary penalties for resisting fraudulent claims, and many similar and aggressive laws sufficient to keep actively employed, even the most watchful of committees, and the most faithful of secretaries. The business of no country is safe when it becomes necessary to control it so strictly by legislative enactment, and to make special laws in the interest of particular citizens, the effect must be to render a business so burdened and taxed not only unremunerative to the capitalist, but in time impair the security of those whom it was originated to protect. I therefore trust that due attention will be given to this great want in our organization, and that a proper committee be appointed to bring about this union of the entire insurance interest of the country, for I am satisfied that in no other way will we be able to successfully resist the tidal wave of taxation and restriction which threatens to sweep over the whole business of insurance.

I cannot dismiss this subject without calling your attention to a case * recently decided in the Supreme Court of Wisconsin, where Chief Justice Ryan lays down this dangerous doctrine: "And we must hold it to be the settled law of this court, that the agent of an insurance company, authorized to take risks and issue policies of insurance against fire, *may waive by parol* a condition in a policy issued by him;" and again: "but fire insurance is a transaction between experts and inexperts, and the rule adopted seems to be essential to the ends of justice."

* *Winans vs. Allemania Ins. Co.* Reported in Wisconsin State Reports.

Is it possible for courts to go farther in their efforts to impair the validity of our contract? In a business so largely in the control of agents, whose proportion is as a hundred to one to number of companies, the one point of security upon which a company rests, is its policy, which can only be modified in any of its conditions by a written consent on the policy, which cannot fail to pass under the notice of the company, and is subject to its approval or otherwise. But let the idea once prevail that an agent by parol can agree to dispense with the important provisions and conditions of a policy which it has taken the experience of the last fifty years to build up as barriers against fraud, and all protection to capital is at once swept away, and the door opened to every species of combination for the perpetration of fraud. The law records of our States are full of defences against gigantic swindles, which only the sacredness of the contract enabled insurance companies to resist with any degree of success. Such a decision comes with an ill grace from the courts of a State where companies have constantly lost money, and where the last year shows a proportion of losses to premium receipts of $89\frac{41}{100}$ per cent. It is fortunate that the Courts of New York, Massachusetts and Pennsylvania, as well as the Federal Courts, by recent decisions, take directly the opposite view to the one quoted, but the fact still remains that there is danger in submitting our interests to the decision of the courts of any State where such heresies are held. Let us take warning in time.

STATISTICAL BUREAU.

The Statistical Bureau has continued its operations during the past year, and will present the results of business upon the several classes of hazard upon which the statistics have been collated. The value of this information is every year becoming more apparent, and our only regret is that contributions to the bureau are not received from every one of our members. The business of no one company, however extensive, can be taken as a

guide; it requires the experience of all to obtain reliable data upon which to base rates. No one will deny that the greater the aggregation the more valuable are the results obtained.

This bureau should also be the vehicle for gathering statistics in regard to fires throughout the entire country. At present, except for the enterprise displayed by one of the insurance press,* we should be without any such compilation; and as the tables of experience which we present to you embrace only that of companies doing business in the large States, they fail to give an actual record of the annual destruction of property by fire, as they do not show what proportion of loss was uninsured, and prevent our making any estimate of the ratio of increase of fire losses.

A business, such as insurance, conducted for a long period, without being based upon some standard, cannot command the respect or confidence of the community. Where would our life companies be if they had not the tables of mortality to base their rates of premium upon? Would any one have confidence in their ability to meet their engagements if they attempted to set them aside, and write on their own judgment? I apprehend that one reason for all the trouble we have in the fluctuation and unsettling of rates is the fact that we have no reliable statistics to which we can point, showing the necessity for the rates we charge. Were such in existence, companies who disregarded such experience would be esteemed as life companies are who attempt to insure lives at less rates than the Carlisle and other established tables demonstrate it is safe to insure.

The census taken in Massachusetts last year included the questions relative to the industrial statistics of the State, which we presented and urged upon their Commissioners. In the course of this year we shall have at our disposal this valuable body of information. We failed to

* N. Y. Insurance Chronicle.

obtain its insertion in New York; but are still not without hope that the United States Census Bureau will adopt the same queries for the Centennial Census blank.

I cannot impress upon you too strongly how material I consider this matter of statistics to our general business, and the great benefit which it will confer upon our members if pursued systematically, and I therefore urge upon you its continuance, with such full and generous support as will enable it to be carried on with that degree of intelligence its importance demands.

INCENDIARISM AND ARSON.

We have reason to congratulate the Board that the fund created in 1873 for the conviction and punishment of incendiaries, continues to command the interest which its importance justifies. The original pro rata subscription to the fund of \$100,000 amounted to the sum of \$97,215. This was increased by the voluntary contributions of companies, some of them not members of the Board, to \$110,400, for which the fund could be held liable. The number of rewards offered under this fund has been 339, aggregating \$156,925. Of these rewards 45, amounting to \$17,900, have been withdrawn, the term for which they were limited having expired. Thirteen rewards have been claimed, allowed and paid, amounting to \$4,500, so that the original subscription is still liable for \$134,525. On this fund three assessments have been made, amounting in all to \$11,055.67. The expenses of advertising rewards has amounted to \$1,171.22. The balance of \$5,359.45 in hand, it is expected, will be nearly all called for during the next sixty days, as we have advice of a number of arrests under the rewards, which it is expected will result in convictions. A large proportion of the sum of \$134,525, no less than \$107,725, will expire before the 1st June, 1876, so that the first fund will be liable for only \$26,800 after that date.

Under the resolution of the Board, at the last annual meeting, authorizing subscriptions to a new fund of \$100,000, the Executive Committee prepared the agreement, to which

the sum of \$93,590 has already been subscribed, and which will be increased to the full amount of \$100,000 when all have signed who signified their willingness so to do. This fund is liable for all of the rewards offered since January 1, 1876, sixty in number, and aggregating \$22,200. So that since the inception of this plan, 399 rewards have been authorized and offered, amounting to the sum of \$179,125. This large amount is very suggestive of the great extent to which the crime of incendiarism has been carried. Public attention has been fully awakened to the necessity for some action on the part of the authorities, for not only is the property covered by insurance companies destroyed, but with it also large amounts of uninsured property. Acting Superintendent Smyth, of the New York Insurance Department, who seems to appreciate the fact that almost without exception the convictions for arson have been secured by underwriters, suggests the creation in every community of a board of investigation, composed of the President of the village, a Justice of the Peace, and the Corporation Counsel, clothed with full power to investigate into the origin of every fire, but where no act of incorporation exists, the Supervisor and two Justices of the Peace could act as such board; and in case of a proven incendiary fire, the tax-payers of the city, village or town shall be held responsible for the loss, and pay by taxation the damages caused by the fire proved before the Board referred to. As he well says, now "if a fire occurs, the person burned out and the insurance company are the only parties apparently vitally interested. The company must pay,—it dare not refuse,—and there the investigation ends, the city or village having no vital interest in the matter." And again: "This principle established by law would at once furnish a *motive* for the most thorough and searching investigation, which motive is now entirely wanting. A company should not insure against the torch of an incendiary. *Arson is a crime against the people, and for which the people should be responsible, and the system once established would take away all motive for malicious fires.*"

"This principle is meant to apply to individual fires only, not to conflagrations in which the destruction extends beyond the premises fired." These are strong and brave words; they are true words, and would that they could be burned into the pockets of tax-payers, as they have been into the depleted treasuries of insurance companies, and then we would cease to have this most dastardly of all crimes, now so easily inflicted upon a community, go unpunished, and its demoralizing effects cease to be felt by whole communities. A reference to the standing committee's report will exhibit the large proportion of incendiary fires during the past year, and show that the note of warning is sounded none too soon.

The Executive Committee are called upon, from time to time, to contribute towards expenses incurred in securing the conviction of incendiaries where no reward had been offered. A notable case of this kind recently occurred at Olean, N. Y., where the expenditure of \$54.80, by an insurance agent, secured the conviction of a man for incendiarism, and his imprisonment in the Auburn State prison for seven years. As no authority exists for this expenditure, which to me appears, at all times, entirely within the scope of our efforts to suppress this crime, I therefore recommend that discretion be vested in the Executive Committee to pass upon such cases, and authorize an expenditure of money when, in their judgment, the general interest is promoted thereby.

CONSTRUCTION OF BUILDINGS.

One of the chief objects of this association has been to secure in our larger cities, and increasing trade centres, the erection of a better class of edifices for business purposes. We long since concluded this could only be done by securing the passage of public acts, which compelled their erection under penalties, and by discriminating in our rates of premium on such superior buildings. After several years of persevering effort we feel that we have at last succeeded in creating a healthier public opinion

on this subject, and the past year has shown some notable advances in the structures of the larger cities. One of the very best ever erected in any city being the Delaware and Hudson Canal Company's building, in Cortlandt Street, New York, thoroughly fire-proof, and combining beauty in its architecture with durability, it will serve as a model for future buildings. The presence of even one such in a city is a great gain, for it cannot fail to stimulate others to imitate the good example.

The adoption of building laws in most of the large cities, to which we can add, since the beginning of the present year, St. Louis, is a reform in the right direction, for it has always been my opinion that one of our chief dangers in this country was the flimsy character of the buildings, which the rapid growth of our cities, both east and west, have rather encouraged. Such buildings offer but little resistance to the spread of a conflagration. This was never more apparent than in the city of New York, where, at the fire of February last, a building 100 by 210 feet, and extending through from street to street, which was erected before the present Act was in force, was totally destroyed in less than twenty minutes from the first discovery of the fire, and involved insurance companies in a loss of nearly two million dollars. Imposing in appearance, it was one of those structures which the poet has so well described in his lines—

* "Who makes the fairest show, means most deceit."

Those who remember Boston before 1872—and what insurance man does not?—can recall many such. In the extended observation of the buildings of European cities, which it was my privilege to make during the past summer, nothing impressed me more thoroughly than the solid character of the edifices. They were built to last, and had lasted many of them for hundreds of years, and seemed good for many more. In Germany, Belgium and Holland I found very extensive building operations in

* "PERICLES." Act 2; Scene 4.

progress, and that too in many of the oldest cities, so that I was able to make proper comparisons of the methods of building between those countries and our own. The general use of oak and other hard woods for finish, instead of pine; the universal use of concrete floors; the entire separation of stories from each other; the absence of wooden or lath and plastered partitions; the solid backing given to the exterior of fronts, and the fact that wooden staircases are almost unknown, all add to their massiveness, and secure their permanence; while the thickness given to the outside, as well as division walls, are a perfect protection against danger from adjoining property. Great care is taken in building flues, to secure their isolation from any beam or woodwork—the spaces being arched and tied with iron rods, and filled with concrete or plaster. A greater height than 65 feet from the pavement is rarely seen, in fact, the height of buildings in many cities I found was regulated by the width of the street or avenue on which they are located, and not as with us, by the will or fancy of the owner. Roofs are largely covered with iron and slate, but both are laid in beds of plaster, forming not only a solid resistance to fire, but an effectual protection from the elements. These remarks apply equally well to Switzerland and Italy. In Paris I also saw very extensive building operations, mainly the repairing of damages done by the Communist mob of 1872. The same care in construction was visible there, and it was evident that the city had only been saved from total destruction by the solid character of its structures. As an evidence of this: on two occasions I witnessed the burning of entire floors in houses, involving the destruction of everything in them, without perceptible damage to the stories of the same building, either above or below those burned. One is struck with the greater plainness of European structures, for they wisely spend their money in giving greater strength and durability to the interior, rather than producing the showy meretricious exteriors, which is the boast of our buildings.

In London and other English cities I was not so favora-

bly impressed with the character of the buildings; the universal use of stucco over rough brick does not give them so neat and solid an appearance as the light stone used on the continent. They have many of our worst faults. The numerous and interminable rows of dwellings which form so striking a feature of the more modern parts of London have but very slight division walls, eight or ten inch party walls being common; however, the absence of that insidious domestic incendiary, furnaces, is a great addition to their safety, and the greater humidity of the climate secures them against rapid progress in fires. The great dock warehouses of London and Liverpool, where such masses of property are accumulated, are superior in construction, and not unlike the very best of our New York storage stores, though they nearly all connect by interior openings. I was much interested in a visit I was allowed to make to the spirit and wine vaults of the London docks, which I found under the most thorough police regulations, and in which the greatest care was taken to protect their valuable contents from accidents by fire. Other warehouses I found to be less extensive than our own, and, as a whole, inferior in class, though they had the merit of being lower. The narrow streets of the great metropolis upon which most of them are located, and the thickly placed specials in the business parts of the city, did not present a favorable aspect to the eye of an insurance observer. In Glasgow there are many very superior buildings used exclusively for warehouses, situated on broad streets, and constructed largely of stone, which compared most favorably with any that I saw elsewhere.

With thoroughly enforced building laws in all of our cities, it need be only a question of time when we can rival in stability the cities of the old world, for no country has so much material for building up durable structures as the United States. Let every underwriter do his utmost to secure such a desirable result.

The necessity of more moderate residences for the better class of our citizens has of late years encouraged the erection

of what are usually termed flat or apartment houses after the French plan. My observation in the cities of Paris and Brussels convinced me that such houses as are used abroad are not really known to our people, and being anxious that our citizens should be well informed upon the subject, I caused to be prepared in Paris by an eminent architect, Mons. Felix Langlais,—whose designs are considered to be the very best specimens of modern French architecture,—two complete sets of plans for such houses, one where the building is to be occupied in all its parts for dwelling purposes, and the other where the lower floors can be used as a warehouse or store. Reduced fac-similes of these drawings have been prepared, and will form a part of the appendix of this address; they will well repay the most careful study. Our object is to diffuse as widely as possible a correct knowledge of this class of buildings, which, in our older and larger cities, in view of the comfort and greater economy in living they secure, cannot fail to become the future homes of a large number of the best class of our people ere many years have passed. The original plans, which are very full in their details, and extremely valuable for reference, are kept at the rooms of the Board, where they can always be inspected on application.

FIRES AND FIRE PREVENTION.

Perhaps no subject is more constantly before the underwriter than the origin of fires, and the means to be used for their prevention. With all the modern appliances for the prevention of fires, the fact still remains that there is a steady increase in their number, and from causes too often within the control of the owners or occupants of property. Accident is accepted as primarily the principal cause of fire, but experience shows that what is commonly called accident, is too often gross carelessness. Not all the warnings and privations entailed by severe losses can be relied upon to prevent such occurrences. While the past year has been free from any great conflagration, yet, in the number of its fires, it has rarely been equalled. The

statistics already presented show the losses to have been greater than in former years, while the present year has brought losses of unusual magnitude, and that too, in such places as New York, where every invention is in use that has been thus far devised for the prevention and spread of fire. It would seem, therefore, that our means of prevention are not equivalent to the increase in the hazards which we are called upon to assume, and it becomes a serious question for the consideration of the underwriter, how this volume of loss is to be diminished. In my address last year, I called your attention to the alarming annual destruction of property in this country by fire, and the drain it was upon its resources. I have since been reminded that the average of loss to premiums in the United States was not much greater than the average of Great Britain, France or Germany. This is true, but the premiums charged are four times greater than are paid in those countries, and under this state of things, we, as a nation, are wasting our substance four times faster than the countries of the old world. For such results it seems to me that underwriters are to some extent to be held responsible. Let us take an example or two. Recently a town within an hour's ride of this metropolis, having many thousand inhabitants, and in which were numerous expensive residences and considerable stores, was visited by a fire, and it was then found to be destitute, not only of water facilities, but did not possess even a common hand engine for use. Another, a western city, which has repeatedly suffered from severe conflagrations, allowed special hazards of the most dangerous character to be erected and remain in such localities that fires beginning in them at either extremity of the place, were certain to ensure the destruction of nearly all the valuable part of the city. Now, in both these places, companies were found, notwithstanding the lack of fire prevention in one case, and the danger in the other, (both of which had been matters of public discussion,) ready and apparently anxious to assume these hazards of certain destruction, and that, too, at very moderate rates of premium. Commu-

nities which so persistently refuse to provide means against calamity, and repeat, after several warnings, the errors of former years, have certainly no claim upon the protection of our policies, and should not receive it. The time has gone by when any conservative underwriter should assume risks for which no premium can compensate. So long, however, as companies can be found to insure in such places, the means will be neglected to protect them, and in this view I hold underwriters responsible for such losses.

My attention was directed while in England to the alarming number of fires, during the past year, principally in mills, which far exceeded even the most exceptional experience in this country. It was stated at a meeting of the Mutual Fire Association of Manchester, that in the Manchester district alone the losses exceeded \$5,500,000, while the amount of premium received during the same period was not over \$4,000,000. No apparent reason existed, so far as the moral hazard was concerned, for this loss, and therefore it was necessary to look at the physical or inherent hazard for the cause. So far as I am able to learn, no satisfactory solution has, as yet, been reached. I had an opportunity of inspecting many of the mills in the largest manufacturing cities, and noticed among other things that mineral or earth oils were largely used as lubricants. On discussing this question with the managers of the mills, I could not obtain from them any recognition of increased danger from this source, for I was assured that the oils used were very different from those in general use in this country, being of much denser gravity. Such of the insurance managers as I discussed the matter with, seemed to hold the same view. The result of the many investigations I have made for the last fifteen years in regard to the products of petroleum, compels me to differ with this opinion. It is evident that a subtle vapor can be evolved from petroleum of the heaviest gravity when subjected to heat; this heat is obtained in mills by the rapid revolution of the machinery, and consequent heating of the journals, and the presence of this almost imperceptible

vapor, which is heavier than our atmosphere, becomes in time an element of danger. We have adopted the wiser course in this country of discouraging the use of such lubricants by exemplary charges, and have undoubtedly saved ourselves from loss. Yet the necessity exists for some substitute for sperm oil, which the greater demand, by reason of the large increase in manufacturing interests, and the decline in the fisheries, has rendered, year by year, more scarce. Recently our attention has been drawn to a material called "Metalline," which is alleged to possess the qualities of utility and safety so necessary in a substitute. It has been placed in use on trial in many mills, and we have the testimony of the owners as to its superiority over all other recent lubricators. Experiments and tests have been made by some of our best scientists, who claim that nothing was found which could in any way render it dangerous or liable to spontaneous ignition.

This is valuable testimony so far as it goes, but it will not do to commit ourselves to its entire safety without further investigation and a larger trial. I would therefore suggest that authority be given to make exhaustive tests of this material, for if its safety can be established, it will prove one of the most valuable contributions of science to the security of manufactories, and result in excluding from them, the numerous adulterated and mixed oils, which, as lubricants, have so often proved fatal to our interest.

The system of inspection by experts of the fire departments, water supply, and fire prevention in cities, inaugurated last year, has been continued this year, and you will find in the appendix of this address reports upon the cities of Boston, Portland, Bangor, Worcester, Springfield, Mass., Rochester, Syracuse, Buffalo, Detroit and Cleveland, which are very full in their details, and of great value to companies having large interests in those places. Some of the defects and deficiencies pointed out by us last year were at once remedied when brought to the notice of the authorities of cities. No city shows a more marked improvement in the organization of its fire department and

increased water facilities than Chicago, that city having adopted nearly all of the improvements so persistently urged upon it by insurance companies, and I take pleasure in making this public announcement of the fact, feeling it to be proper, as we have in former years criticised the defects that existed.

In a country like ours, which is blessed with such an abundant supply of fresh water, we are apt to be wasteful of it, and when a day of necessity comes, we find that we are unequal to the emergency. In our great cities, economy in the use of water is becoming an absolute necessity, and, instead of seeking how to save, we too often, by great and unnecessary expenditure of money, strive to increase the quantity by adding new sources of supply. So long as no limit exists, and the prudent citizen is subject to injury by his more careless neighbor, there can be no regulation of this matter; but the adoption of some system by which the wasteful citizen pays for his neglect, will, I am satisfied, economise the use, and prevent any danger of a failure in the supply. I have been much interested lately in reading a report made by the water commissioners to the authorities of Boston, after the introduction there of water meters. Becoming alarmed at the unusual quantity drawn from the aqueduct, they applied this valuable and easy test, and soon had the gratifying result of a reduction of 33% in consumption, and a gain of 48% in pressure. The average use has been diminished from 102 gallons a head daily to 56 gallons; this is in excess of the real wants of the people, and was the result of only a limited number of these useful machines. In London, I found water meters in general use, and by the public statistics it appeared that the consumption of that great city was less than that of New York by some millions of gallons daily. In Glasgow, where the supply is brought from Loch Katrine, an inexhaustible source, the outside use was 28 gallons a day for each inhabitant. With such statistics and experience before us the authorities of this and other large cities should not

hesitate to adopt water meters, or some other system that will prevent the useless waste of water.

The principal objection urged against the adoption of water meters, has been the expense ; but would it not be the truest economy to avail ourselves of such a silent but positive corps of detectives upon those who so wantonly waste one of our chiefest privileges? Their use could not fail to control this, and at once raise the head of water, and thus obviate to a great extent the necessity of increased expenditures for new aqueducts, and put an end to the apprehension of a water famine, for it is estimated that the daily waste of the metropolis is more than equivalent to the amount used. It has been asserted also that their adoption has developed the fact that, whilst increasing the revenue, they have absolutely reduced the water rate to honest consumers, by detecting delinquents and exacting pay for excessive use, thus equalizing the tax according to the amount of water received. If such be the case, in addition to the unquestioned result of greatly increasing and maintaining the uniform head and pressure by a sustained supply, there can be no doubt of the necessity and the wisdom of their general introduction.

I have frequently been requested to give some account of my examination of the facilities for fire extinguishment in the cities of the old world, as compared with our own means of safety. It would be an ungracious task to institute such a comparison, because the situations are so entirely different. I gave much attention to this subject, as I was anxious to observe all the methods in use with a view of seeing wherein we could be benefited.

The most striking feature is the comparative smallness of the departments of the great cities of Europe as compared with our own. In London, a city of three-and-a-half millions of people, having over 440,000 houses, and covering an area of 120 square miles, the whole force of the department is less than 400 men, of whom not less than 100 are constantly on special or detached duty. There are 26 steam fire engines and 85 manual or parish

engines, besides four floating engines. The same disproportion as to protection exists in the other large cities of England and Scotland, though I desire to make the city of Manchester an exception to this remark.

In Paris the department consists of a much larger number of men—no less than 1,590; but the engines are almost exclusively hand engines. I did not see a single steamer, though I was told there were one or two. In the old city of Cologne I found a first-class paid department, with steamers and other modern appliances; while in Geneva and other cities of Switzerland I found our American system fully in use, with efficient steamers, drawn by horses.

PATENTS AND USEFUL DEVICES.

It is natural that all new inventions which have any connection with or bearing upon the business of fire insurance should seek from this and kindred bodies endorsements of their value. Knowing full well the fertility of invention among the American people, and the fact that many of these new devices require close examination and proper testing, we have thought it unwise to sanction their public approval by local boards, unless an opportunity had been afforded this Board of testing them. The wisdom of this course has been apparent in many cases, but in none more so than in the restrictions which have been imposed upon the use of automatic gas generators and carburetters. An exhaustive report was prepared by a Special Committee of the Executive Committee, to whom, at your last meeting, you referred this subject. It is hoped that it will meet with favor, and tend to proper security in the use of this dangerous material.

Too much care cannot be exercised by us in approving the many new methods brought to our notice, and I would suggest, as a pre-requisite to an examination of any such invention, that it shall have had at least one year's practical test by use or otherwise, in the shape in which it is proposed eventually to bring it into general use. This

would save us from the many applications for endorsement of devices, whose owners and proprietors rely upon our recommendation for public favor. A thing really useful in itself is in no danger of failure for want of this endorsement, and, in my opinion, it is our province to endorse only what has had a practical, and not a theoretical test of its utility or economy.

As an evidence of the extent to which we may be called upon to act upon such matters I would mention that at a recent meeting of a similar Committee in the New York Board of Underwriters more inventions were presented for their action than it would have been possible for even a patent office expert to have examined in a month.

Among tried inventions I know of none that has more strongly demonstrated its right to our notice than the "Automatic Fire Alarm," which, has been in use for several years. Its great merit has led to its adoption by many mercantile and other houses in the City of New York, and we cordially commend it to the notice of underwriters elsewhere. In mills and manufactories it cannot fail in time to take the place of the older, more cumbrous and less certain means of fire detection.

HOSPITALITIES IN ENGLAND.

I would avail myself of this opportunity to make public acknowledgment of the many kind hospitalities received as your representative during my visit to Europe last summer. To the underwriters of London, Liverpool, Manchester and Edinburgh, as well as to many private individuals, I was indebted for much that rendered my visit especially interesting and instructive. I found among them a keen appreciation of all that had been done by this Board for the improvement and advancement of the business of fire insurance; and an earnest desire manifested that we should in no wise relax our efforts. I ascribe to this much of my kindly reception and generous entertainment. The opportunity afforded of forming valuable friendships with the underwriters of Great

Britain was one that I most fully appreciated, and it will constitute one of the pleasantest reminiscences of my life. The welfare of this Board cannot be better advanced than by the cultivation of an interest among our foreign brethren in all of our labors for the public good, and I am certain that we shall have no more loyal supporters than among our foreign members,—who are as desirous as ourselves for the perpetuation of this useful and important association.

CENTENNIAL.

It cannot be expected that a body so national in character as our own association, could meet during the centennial year of the republic, without alluding in some way to the connection the business of insurance bears to the great progress made by our country since it began its career among nations. The action that was proposed, and which at first seemed to meet with so much favor, of having the whole body of underwriters of the United States unite in erecting upon the Centennial grounds an appropriate building, to be used as a place of common resort for such of the profession as should visit the exhibition, and the further proposition to gather such reliable statistics of the business of fire insurance as would place before the world the record of fire insurance progress in this country during the century, met with my most hearty approval, and it is to be keenly regretted that, by want of action, the underwriters of this country have lost the opportunity, which can never return again during their official life, of uniting, not only their experience, but the golden chance of raising their profession by a record of its progress and importance to a prominent place in the annals of this eventful year. When it is recollected that there are no less than 946 companies chartered and engaged in active business in the various States, many of whom are scarcely known to the underwriters outside of their respective localities, we can realize how vast is this interest, and how important a contribution its statistics would have been to the valuable records which

will be gathered under the auspices of the Centennial Board, as the results of the great anniversary jubilee. I trust under this disappointment I may be pardoned if I trespass upon your patience, while I attempt, in a very limited manner, a review of the business for our own satisfaction.

Fire insurance can scarcely claim to have been known in the early part of our nation's history, its rise and growth being really the product of the Nineteenth Century, and strictly speaking of the last fifty years, for we can find no record in ante-revolutionary times that any insurance companies existed in this city to protect the citizen from the overwhelming disasters which swept over it and other of our important towns during and shortly subsequent to the war of our independence. If they did exist, all record of them has passed away and been forgotten. Philadelphia, however, is entitled to the honor of having established the first Fire insurance company in America, for in 1752 the Philadelphia Contributionship, or, as it is sometimes styled, "The Hand-in-Hand," was founded, a company still in prosperous existence, and whose chief promoter and one of whose original directors was Benjamin Franklin. This company celebrated its centennial nearly a quarter of a century ago, and shows evidence at this day of the wise management which characterized its early career. Differences, however, seem to have arisen among its trustees as to the exposure of property by the trees which at that early date must have been a feature in the city of brotherly love, and from the attraction they presented to lightning, the company ceased to insure property which had trees in front of it. The result was a new organization in 1784, by some of the promoters of the first and other prominent citizens, called the Mutual Assurance Company, which adopted as its seal or mark a tree in leaf, which gave to it the name of the "Green Tree," by which it is still familiarly known, and its plate bearing this badge is still affixed to houses. In the year 1787, another company bearing the same name, Mutual Assurance Company, was founded in

New York, and still exists with the very appropriate title of the "Knickerbocker Fire Insurance Company." The next organization was the Insurance Company of North America, of Philadelphia, founded in 1794 on the stock plan, whose representatives are among us to-day as active, earnest promoters of this Board. In 1797 the Massachusetts Fire Company was chartered in Boston, but it long since passed out of existence, and in 1798, in the same city, the Massachusetts Mutual was organized, and after having weathered many storms ceased to exist in 1872, as a result of the great fire.* New York in 1806 organized the Eagle Fire, still extant, and in 1810 Hartford organized its pioneer company, "The Hartford Fire," whose usefulness to us and the public generally we all feel disposed to recognize. Mr. Cornelius Walford, of London, in a paper which I had the pleasure of hearing him read before the Middlesex Archaeological Society, made known the fact of the existence of mutual fire associations for two centuries or more before the great fire in London of 1666, while on the continent of Europe individual underwriting was known as far back as the twelfth century. In his curious and interesting article in the Insurance Cyclopedic on "Fire Insurance," he has gathered the early history of fire underwriting into a compact form. He states that the first company really formed in England was in 1680, called the Fire Office, afterwards the Phenix; this was followed in 1683 by another, which seems to have been a formidable rival, and was called the Friendly Society. These companies were only organized for the insurance of buildings. The first company chartered to insure merchandise and other personal property was the Lombard, in 1704. In 1710 the Sun Fire office was established, followed in 1714 by the Union; in

* There was established in the town of Boston in 1724 "The Sun Fire Office in Boston," by one Joseph Marion; and, also, about the same period, "The North American Insurance Company," whose exact date we have been unable to ascertain. Both of these companies are supposed to have been individual enterprises, as no record of their incorporation can be found.

1711 by the Hand-in-Hand; in 1717 by the Westminster; in 1720 by the London Assurance Corporation, and in 1721 by the Royal Exchange. These last six companies are all still in vigorous existence. The "Sun" preserves its preëminence over all its competitors in London at this day, and was the first company that organized into a regular joint stock corporation, with a cash capital of \$240,000, and extended its business outside of the London district. I would commend the perusal of this interesting article to all underwriters, and I have adverted to it to show that our forefathers must have been conversant with the system in the mother country before they sought a home on our shores, and the wonder is that, as the country grew in commercial importance, it was not sooner introduced. Though slow of growth on our continent, the necessities of the people made it of importance, and once established, it has taken a firm and strong hold. Prior to the establishment of Insurance Departments by the States of Massachusetts (which was the pioneer) and New York, much the largest portion of the insurance business of the United States was transacted by Mutual companies, and in the State of New York alone, on the 1st January, 1854, there existed 63 Mutual companies, with an aggregate capital of \$11,600,000, and a cash income of \$2,725,900; of these only seven remain at this date. In the State of Massachusetts, on the 1st January, 1855, there were 64 Mutual companies, covering \$193,126,000 of risks, and having a cash income of \$2,710,000. The great increase of stock companies led to the gradual withdrawal of Mutual associations from business, the public realizing how much better protection was afforded by the cash capitals. Until the establishment of the Massachusetts and New York Insurance Departments in 1854 and 1860, respectively, no effort had ever been seriously made to gather into tabular form the results of the business, and hence the historian for the progress of the business finds himself compelled to fall back upon statistics, which are familiar to most of those

whom I now address. Whatever difference of opinion may exist as to the merits of State supervision, we have to thank it for the only records of the business to which we can have access. It appears that in 1860, the year in which the New York department first published its tables, the insurance capital of the country was only \$32,358,000, with a premium income of \$14,413,000, while in 1876 it had reached \$55,383,000, the premium income of American companies alone reaching \$54,114,500, and it is a still more interesting fact that the principal advance, both in the amount of business and capital, has been since the establishment of this Board in 1866, so that we have good reason to feel that it gave an impetus to the business of Fire Underwriting in this country which is destined to be felt through the rest of the present century. How much there is to encourage us, a brief comparison will show; such as the state of the country as to fire protection and prevention; the condition of the laws in regard to this important interest; the regulations requiring the erection of a better class of buildings; the thorough inspection and comprehension of the character of the manufacturing hazards of the country, and the devising of means for lessening them; the classification of risks; and the gathering of statistics in regard to the value of the hazards assumed. All this has been the work of but ten years, accomplished by earnest men, who, in the prosecution of their labors, have been met with determined opposition from the over cautious and ignorant people of all professions, not excepting their own. Would that we could inspire our people with some of the enthusiasm of the centennial year, and secure a careful consideration of the very important matters, which have been diligently laid before them during the several years of our stewardship, and enable them to profit by labors perhaps selfishly undertaken, but resulting in good and permanent benefit to the whole country,—we should then have a right to feel that our mission had not been in vain. It has been said that it was a maxim of the founders of the republic to

“Lay broad foundations and build deep.”

No one can better estimate the value of such a sentiment than the underwriter, if he allows himself to be governed by true principles in conducting his business.

It may not be uninteresting to you to know that the system of association in boards is as old as the business itself. I was told in London that such an association existed in the latter half of the last century, which has been continued down in various forms to the present day, many of the companies which originated it still being members. As early as 1819, such an association was formed in the city of New York, when only eight companies were in existence, and it continued to make additions to its numbers until 1827, when it was merged into a regular Board of Underwriters. To show that it was to be proof against disaster, either from within or without, it took the euphonious name of the "Salamander Society." Its records still exist, and are in my possession. Not a few of those who listen to me recollect the first effort that was made for a National Board in 1849, when but ten companies were engaged in the general agency business, and the excellent effect it had upon the business of those companies. With such precedents, it is sufficiently evident that we have not only the right to exist as a Board, but that we are a necessity, as only under such organizations has the business of the country proved profitable both to the insurer and stock holder. I might enlarge upon these questions had I the time and you the patience, but I feel that enough has been said to commend the subject to you. How valuable a lesson would have been taught us in the centennial year had we been permitted to have carried out the wise movement begun in the interest of the underwriters of the whole country. We have all realized the value of association in other walks in life, and it is in the power of the great business of insurance by united effort to become an energetic leader in many of the reforms so necessary to the prosperity and stability of our country, as well as the true conservator of its prosperity and capital.

CONCLUSION.

I cannot conclude these remarks without an earnest appeal to the members of the National Board, to sustain it in all its usefulness and integrity as the very bulwark of our strength and prosperity. As I have shown you, we have not wasted the time, thought and substance we have bestowed upon it, and we find ourselves at the close of four years' active efforts brought face to face with difficulties similar to those which beset us in 1870. But we have the advantage of the dear bought experience of that period to look back upon, and to save us from the fatal errors then made. Let no one be discouraged; with a consciousness of rectitude we can afford to disregard the hostility which we have encountered, if we show a determination to persevere in the right, and to correct abuses and errors.

Let the public understand that our Board, while maintaining adequate rates to ensure safety to capital, means also to be just in those rates, and is ready to encourage and foster any important improvement that will add to the public security, and also to make proper concessions for such advantages.

If the necessity for this Board existed in 1872 for the companies, there is still greater necessity for it at this time for the public good. It has made a record of usefulness and importance unsurpassed by any other public institution in the same limited period, and to which we can point with just pride. If we but remain true to the convictions which caused it to be inaugurated, and has thus far sustained it, we can await with confidence the verdict which the next few years will not fail to render.

HENRY A. OAKLEY.

TABLE I.

1 INSURANCE COMPANIES OF THE STATE OF NEW YORK.

Year.	Capital.	Dividends.	Per centage.
1859 to 1865 inclusive.	165,202,520	16,605,897 31	10.05
1866	30,649,660	2,073,375 79	6.76
1867	28,861,232	2,272,237 96	7.87
1868	28,629,474	2,753,723 64	9.60
1869	28,611,232	3,157,359 09	11.03
1870	29,761,232	3,441,904 07	11.56
1871	22,907,020	2,485,890 30	10.40
1872	24,407,010	2,265,687 79	9.28
1873	25,557,020	2,163,361 86	8.46
1874	26,307,020	3,263,524 62	12.40
1875	27,107,020	3,715,738 23	13.71
Aggregate	438,000,440	44,198,700 66	10.09

2 INSURANCE COMPANIES OF OTHER STATES.

Year.	Capital.	Dividends.	Per centage.
1859 to 1865 inclusive.	75,532,530	10,726,224 21	14.20
1866	13,760,690	1,295,874 91	9.41
1867	16,750,000	1,502,089 00	8.96
1868	20,701,720	2,298,072 74	11.10
1869	22,507,370	3,095,420 30	13.75
1870	22,971,101	3,068,094 61	13.35
1871	20,850,000	2,587,583 44	12.41
1872	18,770,506	1,031,111 17	5.49
1873	24,780,045	2,041,354 04	8.24
1874	26,745,170	3,492,696 84	13.05
1875	28,276,000	3,734,494 42	13.21
Aggregate,	291,645,132	34,873,015 68	11.96

3 AGGREGATE.

Year.	Capital.	Dividends.	Per centage.
1859 to 1865 inclusive.	240,735,050	27,332,121 52	11.31
1866	44,410,350	3,369,250 70	7.59
1867	45,611,232	3,774,326 96	8.27
1868	49,331,194	5,051,796 38	10.24
1869	51,118,602	6,252,779 39	12.23
1870	52,732,333	6,509,998 68	12.34
1871	43,757,020	5,073,473 74	11.58
1872	43,177,516	3,296,798 96	7.63
1873	50,337,065	4,244,715 90	8.35
1874	53,052,190	6,756,221 46	12.73
1875	55,383,020	7,450,232 65	13.45
Aggregate,	729,645,572	79,071,716 34	10.84

TABLE II.
1 INSURANCE COMPANIES OF THE STATE OF NEW YORK.

Year.	Fire Premiums Received.	Fire Losses Paid.	Per centage.
1859 to 1865 inclusive.	65,403,150 10	36,354,203 71	55.58
1866	20,786,847 47	15,312,751 13	73.67
1867	21,012,050 18	12,229,492 80	58.20
1868	20,686,198 13	10,188,294 62	49.25
1869	20,537,288 44	9,683,747 78	47.15
1870	20,064,153 14	11,119,308 47	55.41
1871	17,157,055 06	13,261,604 63	77.07
1872	20,385,074 62	14,309,564 19	70.14
1873	23,552,748 58	13,764,886 38	58.44
1874	23,743,145 33	9,024,989 07	38.01
1875	22,590,821 13	9,800,945 01	43.38
Aggregate,	275,918,532 18	155,049,787 79	56.13

2 INSURANCE COMPANIES OF OTHER STATES.

Year.	Fire Premiums Received.	Fire Losses Paid.	Per centage.
1859 to 1865 inclusive.	42,293,004 02	26,255,314 90	62.08
1866	11,494,557 29	8,600,994 74	74.83
1867	15,150,088 27	8,588,777 07	56.69
1868	16,709,542 12	9,095,684 49	54.43
1869	18,816,290 13	10,370,594 02	55.11
1870	17,173,468 59	10,750,132 28	62.59
1871	19,663,996 76	18,335,669 55	93.24
1872	23,757,205 00	20,302,837 57	85.46
1873	28,461,976 21	17,115,723 55	60.13
1874	27,345,680 61	12,818,745 95	46.87
1875	27,217,435 85	14,275,659 67	52.45
Aggregate,	248,083,244 85	156,510,133 79	63.09

3 AGGREGATE.

Year.	Fire Premiums Received	Fire Losses Paid.	Per centage.
1859 to 1865 inclusive.	107,696,154 12	62,609,518 61	58.13
1866	32,281,404 76	23,913,745 87	74.07
1867	36,162,138 45	20,818,269 87	57.56
1868	37,395,740 25	19,283,979 11	51.56
1869	39,353,578 57	20,054,341 80	50.95
1870	37,237,621 73	21,869,440 75	58.72
1871	36,821,051 82	31,597,274 18	85.81
1872	44,142,279 62	34,612,401 76	78.41
1873	52,014,724 79	30,880,609 93	59.36
1874	51,088,825 94	21,843,735 02	42.75
1875	49,808,256 98	24,076,604 68	48.33
Aggregate.	524,001,777 03	311,559,921 58	59.46

TABLE III.

1 INSURANCE COMPANIES OF THE STATE OF NEW YORK.

Year.	Net Cash Premiums Rec'd, Including Inland.	Expenses Paid.	Per centage.
1859 to 1865 inclusive.	73,672,567 73	24,343,598 13	33.04
1866	25,122,152 86	7,945,067 30	31.62
1867	24,095,970 04	7,962,084 45	33.04
1868	22,852,317 62	7,965,124 72	34.85
1869	22,313,250 19	8,173,085 45	36.62
1870	21,504,931 62	8,596,517 22	39.97
1871	17,634,934 71	6,177,181 00	35.04
1872	20,912,781 00	7,177,310 00	34.32
1873	24,312,752 33	7,954,164 47	32.71
1874	24,477,295 81	8,682,387 48	35.47
1875	23,122,548 63	8,817,686 34	38.13
Aggregate,	300,021,502 54	103,794,206 56	34.60

2 INSURANCE COMPANIES OF OTHER STATES.

Year.	Net Cash Premiums Rec'd, Including Inland.	Expenses Paid.	Per centage.
1859 to 1865 inclusive.	50,195,368 52	11,222,557 86	22.35
1866	13,745,339 41	3,846,302 36	27.98
1867	18,140,089 34	5,162,207 69	28.45
1868	20,171,630 19	5,909,686 27	29.29
1869	22,710,895 32	6,751,280 71	29.72
1870	21,088,154 06	6,531,773 44	30.97
1871	23,112,353 90	6,645,693 46	28.75
1872	27,090,523 00	7,458,726 00	28.42
1873	32,092,743 90	9,215,014 99	28.71
1874	32,012,407 24	8,976,284 06	28.04
1875	30,992,046 33	9,397,606 99	30.32
Aggregate,	291,351,571 21	81,117,133 83	27.84

3 AGGREGATE.

Year.	Net Cash Premiums Rec'd, Including Inland.	Expenses Paid.	Per centage.
1859 to 1865 inclusive.	123,867,956 25	35,566,155 99	28.71
1866	38,867,492 27	11,791,369 66	30.33
1867	42,236,059 38	13,124,292 14	31.07
1868	43,023,947 81	13,874,810 99	32.24
1869	45,024,145 51	14,924,366 16	33.14
1870	42,593,085 68	15,128,290 66	35.51
1871	40,747,288 61	12,822,874 46	31.42
1872	48,003,304 00	14,636,036 00	30.48
1873	56,405,496 23	17,169,179 46	30.44
1874	56,489,703 05	17,658,671 54	31.26
1875	54,114,594 96	18,215,293 33	33.66
Aggregate,	591,373,073 75	184,911,340 39	31.27

TABLE IV.
INSURANCE COMPANIES OF THE STATE OF NEW YORK.

1

YEAR	FIRE RISKS WRITTEN.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	Percentage of Fire Losses to Prim's.	Percentage of Fire Losses to F. Risks wr't'n	Am't of Fire Risks wr't'n to \$1.00 loss.	Average Rate of Prim's on Fire Risks.
1860 to 1865 incl.	9,691,333,757	59,103,461 94	33,672,217 63	56.97	.3474	287.82	.6099
1866	2,753,493,107	20,786,847 47	15,312,751 13	73.67	.5561	179.82	.7549
1867	2,503,847,496	21,012,050 18	12,229,492 80	58.20	.4884	204.73	.8399
1868	2,643,720,096	20,686,198 13	10,188,294 62	49.25	.3853	259.48	.7824
1869	2,714,198,776	20,537,288 44	9,683,747 78	47.15	.3567	280.28	.7566
1870	2,813,983,769	20,064,153 14	11,119,308 47	55.41	.3951	253.07	.7030
1871	2,506,557,045	17,157,055 06	13,261,604 63	77.07	.5427	184.17	.7088
1872	2,922,114,289	20,385,074 62	14,309,564 19	70.14	.4950	204.20	.7035
1873	2,933,463,315	23,552,748 58	13,764,886 38	58.44	.4692	213.11	.8029
1874	3,052,325,558	23,743,145 33	9,024,989 07	38.01	.2956	338.20	.7778
1875	3,096,183,379	22,590,821 13	9,800,945 01	43.38	.3165	315.91	.7296
AG.	37,631,220,587	269,618,844 02	152,367,801 71	56.51	.4049	246.97	.7165

2

INSURANCE COMPANIES OF OTHER STATES.

YEAR	FIRE RISKS WRITTEN.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	Percentage of Fire Losses to Prim's.	Percentage of Fire Losses to F. Risks wr't'n	Am't of Fire Risks wr't'n to \$1.00 loss.	Average Rate of Prim's on Fire Risks.
1860 to 1865 incl.	3,930,952,242	34,179,233 62	20,906,053 57	61.17	.5318	188.03	.8695
1866	1,176,555,214	11,494,557 29	8,600,994 74	74.83	.7310	136.79	.9770
1867	1,308,447,411	15,150,088 27	8,588,777 07	56.69	.6564	152.34	1.1579
1868	1,525,775,378	16,709,542 12	9,095,684 49	54.43	.5961	167.74	1.0051
1869	1,740,609,887	18,816,290 13	10,370,594 02	55.11	.5958	167.84	1.0810
1870	1,695,633,560	17,173,468 59	10,750,132 28	62.59	.6339	157.73	1.0128
1871	1,653,608,930	19,663,996 76	18,335,669 55	91.58	1.0228	97.76	1.1059
1872	1,945,804,854	23,757,005 00	20,302,837 57	85.46	1.0366	95.83	1.2352
1873	2,188,228,509	28,461,976 21	17,115,723 55	60.13	.7821	127.84	1.3006
1874	2,168,641,806	27,345,680 61	12,818,745 95	46.87	.5912	168.86	1.2609
1875	2,391,102,039	27,217,435 85	14,275,659 67	52.45	.5970	167.50	1.1383
AG.	21,725,559,830	239,969,274 45	151,160,872 46	63.00	.6958	143.72	1.1045

3

AGGREGATE.

YEAR	FIRE RISKS WRITTEN.	FIRE PREMIUMS RECEIVED.	FIRE LOSSES PAID.	Percentage of Fire Losses to Prim's.	Percentage of Fire Losses to F. Risks wr't'n	Am't of Fire Risks wr't'n to \$1.00 loss.	Average Rate of Prim's on Fire Risks.
1860 to 1865 incl.	13,622,285,999	93,282,695 56	54,578,271 20	58.51	.4007	249.59	.6848
1866	3,930,048,321	32,281,404 76	23,913,745 87	74.07	.6084	164.34	.8213
1867	3,812,294,907	36,162,138 45	20,818,269 87	57.56	.5460	183.12	.9485
1868	4,169,495,474	37,395,740 25	19,283,979 11	51.56	.4625	216.21	.8968
1869	4,454,808,663	39,353,578 57	20,054,341 80	50.95	.4501	222.13	.8833
1870	4,509,617,329	37,237,621 73	21,869,440 75	58.72	.4849	206.20	.8257
1871	4,160,365,975	36,821,051 82	31,597,274 18	85.18	.7492	133.46	.8795
1872	4,867,919,143	44,142,079 62	34,612,401 76	78.41	.7120	140.64	.9186
1873	5,121,691,824	52,014,724 79	30,880,609 93	59.36	.6029	165.86	1.0155
1874	5,220,967,364	51,088,825 94	21,843,735 02	42.75	.4183	239.01	.9785
1875	5,487,285,418	49,808,256 98	24,076,604 68	48.33	.4388	227.91	.9077
AG.	59,356,780,417	509,588,118 47	303,528,674 17	59.56	.5114	195.55	.8585

TABLE V.

1 INSURANCE COMPANIES CHARTERED BY FOREIGN GOVERNMENTS.

Year.	Fire Premiums Received.	Fire Losses Paid.	Per centage.
1872	11,199,126 63	10,540,548 34	94.12
1873	10,803,345 29	6,851,024 55	63.42
1874	10,556,377 04	4,355,578 82	41.26
1875	10,808,472 49	4,514,018 22	41.76
Aggregate,	43,367,321 45	26,261,169 93	60.56

Year.	Expenses Paid.	Per centage of Expenses to Premiums.	Amount Written.	Per centage of Fire Losses to Amt. Written.	Average Rate of Premiums on Fire Risks.
1872	2,844,533 46	25 39	1,218,925,983	.8647	1.08
1873	2,954,356 55	27 34	1,117,759,454	.6129	1.03
1874	2,887,020 66	27 34	1,052,382,718	.4138	1.00
1875	3,264,407 55	30 20	1,126,192,338	.4008	.96
Aggregate,	11,950,318 22	27 56	4,515,260,493	.5816	.96

APPENDIX No. 1.

SPECIAL REPORTS UPON THE FIRE DEPARTMENTS,
WATER SUPPLY, &C., OF CITIES.

HENRY A. OAKLEY, Esq.,
President National Board of Fire Underwriters.

Sir,—In compliance with your instructions, I have visited the various cities designated by you, and herewith submit in detail my observations relative to the means possessed by each for the extinguishment of fires.

NEW YORK, April, 1876.

BOSTON.

The Fire Department of this city is controlled by a commission, consisting of three persons, appointed by the mayor.

ORGANIZATION OF THE DEPARTMENT.

The Department is commanded by a Chief Engineer and eleven (11) assistants, permanently employed, together with two (2) assistants, stationed in the extreme outskirts of the city, who perform duty only at fires within their respective districts.

There are twenty-nine (29) steam fire engines in active service, eleven (11) Hook and Ladder Companies, eleven (11) Horse Hose Companies, and seven (7) Chemical Engine Companies, making a total of fifty-eight (58) companies.

The companies are of two classes:

1st. *Permanent companies*, composed of officers and men, who are appropriately uniformed, and devote their whole time to their respective duties.

2d. *Call companies*, having a greater or less number of permanent officers and men, and call men, who do duty at fires and follow other avocations.

CITY PROPER.

There are ten (10) permanent steam fire engine companies with horse hose carriage, each carrying six hundred (600) feet of hose, located in the city proper, each having twelve (12) men. Also three (3) hook and ladder companies of fourteen (14) men each, carrying an average of eighteen (18) ladders, including a "splice" of sixty-five (65) feet, with the usual complement of hooks, &c. Those located in the outskirts of the city carry also portable fire extinguishers. Two (2) supply horse hose carriages, each carrying eight hundred (800) feet of hose, and operated by two (2) permanent men, attached to each carriage. Two (2) chemical engines, drawn by horses, and operated by three permanent men to each engine. A fire boat (exclusively employed for fire purposes), with fires in furnaces banked, and having four (4) Amoskeag pumps, capable of throwing eight.

(8) streams of water, with a combined capacity of twenty-five hundred (2,500) gallons of water per minute. This boat is operated by seven (7) *permanent* men, is stationed at one of the wharves, having telegraphic communication direct with headquarters, responds to fires on the river front, and has proved a valuable auxiliary.

A "Scott Uda," or aerial ladder, capable of being elevated to the height of one hundred (100) feet, is now being constructed, and is expected to be ready for service in a very short time, but is not intended for general use.

A "Skinner" ladder, in ordinary condition, is in the possession of the Department, but not in general service.

Fifteen (15) coal wagons, kept constantly filled, are stationed at various points throughout the city, their use being to supply the steam fire engines on duty at fires of long duration.

CHARLESTOWN DISTRICT.

The Charlestown district is provided with one (1) steam fire engine company, with horse hose carriage, carrying eight hundred (800) feet of hose. Four (4) horse hose companies, each carrying eight hundred (800) feet of hose, and one (1) hook and ladder company, carrying four hundred and fifty (450) feet of ladders, including a "splice" of sixty-five feet. The whole of this apparatus is operated by a force of five (5) *permanent* men and fifteen (15) *call* men. Permanent companies from the city proper also respond to alarms in this district.

Eleven thousand and seven hundred (11,700) feet of hose is in the possession of these companies.

All hook and ladder companies stationed outside the city proper carry six (6) waterproof covers for the protection of goods, furniture, &c., in charge of one (1) *call* man employed by the Underwriters for this special duty in each district.

EAST BOSTON.

The apparatus in the district of East Boston is composed of three (3) steam fire engine companies, with hose carriages. One (1) horse hose company and one (1) hook and ladder company, the whole operated by twelve (12) *permanent* men and fifty (50) *call* men. Six thousand and three hundred (6,300) feet of hose is in possession of these companies.

SOUTH BOSTON.

The district of South Boston has three (3) steam fire engine companies, with hose carriages. Three (3) horse hose companies and one (1) hook and ladder company. The whole is operated by a force of twelve (12) *permanent* men and fifty-eight (58) *call* men. Seven thousand and seven hundred (7,700) feet of hose is in possession of these companies. Permanent companies in city proper also respond to alarms in this district.

ROXBURY DISTRICT.

The Roxbury district has three (3) steam fire engine companies. One (1) horse hose company, carrying seven hundred and fifty (750) feet of hose; one (1) hook and ladder company, carrying four hundred and fifty (450) feet of ladders, including a "splice"; and one (1) chemical fire engine. The whole operated by fourteen (14) *permanent* men and fifty (50) *call* men. Seven thousand nine hundred and twenty-five (7,925) feet of hose is distributed among these companies.

DORCHESTER DISTRICT.

The Dorchester district has seven (7) steam fire engine companies, (including a self propeller, on which steam is always kept up); one (1) horse hose company, carrying eight hundred (800) feet of hose, and two (2) hook and ladder companies; the whole being operated by twenty-four (24) permanent men and seventy-five (75) call men. Eight thousand four hundred and fifty (8,450) feet of hose are in the possession of the companies in this district.

WEST ROXBURY DISTRICT.

The West Roxbury district has one (1) steam fire engine company, one (1) horse hose company, two (2) chemical engine companies, and one (1) hook and ladder company. Ten (10) permanent men and thirty (30) call men are assigned to this district, and the companies have two thousand and seven hundred (2,700) feet of hose in their possession.

BRIGHTON DISTRICT.

The Brighton district has one (1) steam fire engine company and hose carriage, one (1) chemical engine, and one (1) hook and ladder company; the whole operated by five (5) permanent men and twenty-five (25) call men. Two thousand and one hundred (2,100) feet of hose is in possession of these companies.

All call men are required to reside and follow occupations within their respective company districts.

Steam Engines.

The steam fire engines are of various pattern and manufacture, as follows:

Thirteen	(13)	are of the Amoskeag	build.
Eight	(8)	" Hunneman (Boston)	"
Four	(4)	" Jeffers (R. I.)	"
Two	(2)	" Jucket & Freeman (Boston)	"
One	(1)	" Clapp & Jones (N. Y.)	"
One	(1)	" Button (N. Y.)	"

Making a total of twenty-nine (29) in service, and all in good condition.

There are five (5) reserve steam fire engines in very good condition.

A shop for the repair of apparatus has recently been established, and is under the immediate supervision of one of the aids to the Chief Engineer—a practical machinist. Here all repairs needed are well and rapidly executed.

Hose.

Three (3) kinds of hose are used in the Department, viz., leather, combination or gum, and cotton, rubber lined. Twenty-nine thousand five hundred and ten (29,510) feet of hose is in good condition, and distributed among the companies located in the city proper; the remainder is distributed among the suburban companies: making a total of seventy-six thousand three hundred and eighty-five (76,385) feet in possession of the Department, of which sixty-five thousand (65,000) feet are in good condition, and can be relied on.

Steam Circulating Heaters.

This apparatus, consists of a small boiler, or stove with inner coil of pipe, water constantly circulating through, and with pipes connecting with the boilers of the steam fire engines, whereby the water in the boilers of the same is kept at boiling or steam point. These are attached to all the engines in the city proper, and are being placed on the engines in the outskirts as rapidly as practicable. By this means steam is kept up, and can be raised sufficiently to work the engine as soon as hose can be laid, even though the fire be in the immediate vicinity of the engine house. The cost and maintenance of this apparatus is but trifling as compared with its utility.

Automatic, Circulating Relief Valves and Controlling Nozzles.

These appliances, consist of a valve connected with the pump of engine (operating automatically) and a nozzle on the end of hose pipe, whereby the fireman in charge of the latter is enabled to secure complete control of the water discharge, using his judgment as to the quantity necessary for the extinguishment of a fire, especially in its incipency. Before the introduction of these articles, the damage by water in many instances was far greater than that by fire.

Hydrants.

There are three thousand one hundred and eighteen (3,118) fire hydrants in use in the city limits; these are of two kinds—the “Lowry” and the “Old Boston” pattern (both surface.) The “Lowry” hydrant, has been put in service since the large fire in 1872, when the improvements in the water supply were effected—and is constructed of a composition of brass and copper; weighs about one hundred (100) lbs.; is twenty-two (22) inches in height, with two (2) four and one-half ($4\frac{1}{2}$) inch outlets, and two two and a half ($2\frac{1}{2}$) inch outlets, with strainer attached to the bottom; they are portable and carried on the fuel box of each engine. When required for use, they are attached to a connection with the street water pipe by a surface box placed near the centre of the street, affording an ample supply of water. The chief objection to the use of these hydrants arises from the fact that there is some difficulty in quickly finding them, especially after a fall of snow, although this is endeavored to be remedied by details from the fire companies, clearing or salting the places where they are located. Other hydrants are located near the curb on sidewalks—are also of the surface kind with two and a half inch ($2\frac{1}{2}$) openings. The erection and keeping of these hydrants, as well as their repair, is under the control of the Water Commissioners.

An improvement has been suggested by utilizing the base of the lamp-posts and by combining the hydrant therewith.

Fire Alarm Telegraph.

The telegraph system in use is that known as the “Gamewell,” and is in charge of a Superintendent and three operators. It is in good order. The wires are run over the housetops, except in the outskirts, where they are laid on poles. The various fire alarm bells are connected and rung by

electricity from the Central office, and the wires are on the same circuits as the gongs in the engine houses. The time between the strokes is long, making the transmission of an alarm of fire appear slow ; often the horses and apparatus are ready and waiting, before the number of the box can be ascertained.

The wires passing over housetops render them at times difficult of access for repairs, and contact with the gases and soot escaping from chimneys is liable to render them, in time, uncertain, by reason of atmospheric changes.

All policemen and officers of the Department are furnished with keys to the street alarm boxes, keys to which are also placed in buildings convenient to boxes and easy of access in case of requirement.

The City proper has seventy-six (76) Street Fire Alarm Boxes.

South Boston	"	twenty-four	(24)	"	"
East Boston	"	twenty-four	(24)	"	"
Roxbury	"	thirty-six	(36)	"	"
Dorchester	"	thirty-two	(32)	"	"
Charlestown	"	twenty-five	(25)	"	"
West Roxbury	"	sixteen	(16)	"	"

Making a total of two hundred and thirty-three (233) boxes.

Salvage Corps.

The Protective Department, or Underwriters' Salvage Corps, consists of a Superintendent and two (2) companies, comprising one captain and (6) permanent men each, and thirteen (13) call men—the permanent men are uniformed. The Corps have two (2) wagons, drawn by two horses, each carrying forty-five (45) water-proof covers, and two (2) portable fire extinguishers, together with brooms, axes and other implements, and has a reserve of two hundred and forty-nine (249) covers. Private telegraphic communication is had between each company's quarters, and in the event of one company being on duty and at work at a fire, their territory is covered by the other company. The quarters of both companies are connected by telegraph with the Central office, and receive the signals in the same manner, and at same time, as the fire companies. This branch of service is working in perfect harmony with the fire department, and has proved very efficient.

A Fire Marshal is employed by the Underwriters, with the duty of investigating into the origin of fires, and otherwise protect the interests of the Insurance Companies.

Discipline.

The discipline of the Department is fully maintained. The permanent Assistant Engineers, eleven in number, are required to visit the quarters of each company in their respective districts daily, and a system of inspection instituted producing excellent results. The quarters occupied by the various companies are well adapted for the purpose, and kept in good condition.

BANCOR, MAINE.

The Fire Department consists of three (3) steam fire engines, two (2) hand engines, one (1) Chemical engine, one (1) hook and ladder company,

and four (4) hose companies. The steam engines are, one (1) "Amoskeag," in good order, and two (2) "Johnson" (Portland) engines, in ordinary condition. The engines are all housed at the head quarters, located in the central part of the city, and with one exception are held in reserve, owing to the introduction of the "Holly" system of water works.

The Chemical engine is drawn by one horse, attends all fires, and has two tanks of a capacity of thirty-five (35) gallons each.

One of the hose companies is stationed at head quarters, carriage drawn by two (2) horses, carrying one thousand (1,000) feet of hose on reel, and runs in connection with the steamer in service. The other hose carriages carry on an average seven hundred (700) feet of hose on each reel, and are drawn by hand.

The hook and ladder truck is in good condition, carrying ten (10) ladders, the longest being an extension of sixty-five (65) feet, known as the "Bangor" ladder, and a supply of hooks, axes, etc. The truck is at present drawn by hand, but it is proposed to employ horses instead. There is an additional extension ladder kept at head-quarters, for use in case of emergency.

There is, at present, in use, nine thousand (9,000) feet of leather hose, doubleriveted, and one thousand (1,000) feet of linen—rubberlined, making a total of ten thousand (10,000) feet, all of which is in good condition, much of it new.

Fire alarms are sounded by the continued ringing of the bells, there being no fire alarm telegraph, and much valuable time is often lost in endeavoring to find the exact location of fires. The system of giving fire alarms by telegraph, is of the highest importance, as the few minutes gained by the early transmission of an alarm and its locality given, often decides the fate of a building and its contents.

There are one hundred and forty-five (145) men attached to the Department, of which four (4) are only *permanently* employed—one of the Assistant Engineers, whose time is occupied in repairing hose, apparatus, etc., the driver of the chemical engine, and two (2) steamer engineers, who act as hosemen—the remainder are *call* men, and receive a nominal sum as compensation.

The stable for the horses of the engine on duty, and the hose carriage, is very inconveniently located, being in the basement of head-quarters' building, and necessarily causes considerable delay in hitching to apparatus.

A shop is established at head-quarters, for facility of making small repairs to apparatus, repairing hose, etc.

The supply of water is furnished by the "Holly" system, and was put in operation January 1, 1876, and is owned by the city. The water is obtained from the Penobscot River, by means of a pumping house located about $1\frac{1}{2}$ miles from the Post-office building. There are four (4) pumps, of twelve (12) inch cylinders, twenty-seven (27) inch stroke. One rotary pump of sixteen (16) gallons capacity per revolution, or about equal

to all the cylinders, is intended to be added, being now in course of construction. The machinery for operating the pumps is to be driven by water power, obtained by means of a dam, now being constructed across the river. At present the pumps are operated by a steam engine of the compound style or pattern, of a capacity of about two hundred and fifty (250) horse power. This is to be retained, *probably*, after the completion of the dam, and to be used in an emergency. The main pipe, which is of cast iron, (and all smaller pipe is of the same material), is sixteen (16) inches in diameter from pumping house, connecting with mains on principal streets, of twelve (12) eight (8) and (6) inches. There is, at present, seventeen (17) miles of pipes laid and in use, and it is proposed to add, during the present summer, three (3) miles additional, making in all twenty (20) miles of pipes, all having been subjected to a previous test of three hundred (300) pounds pressure to the square inch. There are one hundred and twenty-eight (128) fire hydrants, all having two (2) openings or deliveries, which are placed at an average of about four hundred (400) feet apart, and at closer intervals in the business portion of the city. It is proposed to lay down eight (8) additional hydrants this season. There are forty-seven (47) reservoirs (the former supply) located throughout the city, which have been retained.

PORTLAND, ME.

The Fire Department of this city is a part paid organization, and under the control and direction of a Committee of the Common Council. It consists of five (5) steam fire engine companies and two (2) hook and ladder companies. Three (3) of the engines are of the "Amoskeag" pattern, and in good condition, and two (2) are of the "Johnson" pattern, built in that city, also in good condition, and there is one (1) "Johnson" engine in ordinary condition, used as a reserve. All are drawn by horses. One (1) of the hook and ladder trucks is in good condition, being new, drawn by two (2) horses, and carries nineteen (19) ladders, two of which are extension ladders, and can be raised to the height of sixty-five (65) feet. The other hook and ladder truck is in fair condition, drawn by one horse; carries nine (9) ladders, four (4) of which can be raised to the height of forty (40) feet. Both trucks carry the usual compliment of hooks, axes, ropes, &c. There is also a truck held in reserve, in ordinary condition, but *without* ladders.

One (1) hand engine is stationed at Libby's Corners, about one mile and a quarter ($1\frac{1}{4}$) from the city proper, manned by volunteers, with hose carriage carrying three hundred and fifty (350) feet of hose, and does duty in that section only.

Each of the steam engine companies have three (3) *permanent* men (engineer, fireman and driver), who are required to sleep in their respective engine houses, and fourteen (14) *call* men. Each of the hook and ladder companies have one (1) *permanent* man (driver); No. 1 having twenty (20) *call* men, and No. 2 ten (10) *call* men.

The horses used in the Department, with the exception of Hook and Ladder Company No. 2, *are owned by the Street Department*, and are employed one-half at a time in drawing materials for making repairs to streets, the companies being chosen alternately, and taken according to location.

Instances have occurred, when alarms for fires have been sounded, the horses have been two (2) or three (3) miles away from company quarters; so that, practically speaking, where the horses are so taken, the apparatus is, for the time being, out of service.

The horse hose carriages attached to each engine company are drawn by one horse, also used on streets in same manner as the horses of the engine companies. The carriages carry nine hundred (900) feet of hose on each reel, and the apparatus is in good condition. A reserve horse carriage, carrying twelve hundred feet of hose, and in good condition, is placed in one of the engine houses in the central part of the city, and sent for if required. There is also one (1) fuel wagon, which is sent for if required. Steam circulating heaters are not used, steam being raised from cold water, a process requiring a loss of from five (5) to six (6) minutes. Coils of gas pipes, with jets, were formerly used under the boilers of the engines, but were discontinued on the score of economy. Automatic relief valves and controlling nozzles are not in use in the Department.

Leather and cotton rubber lined hose is used throughout the Department, of which there is seventeen thousand (17,000) feet, fourteen thousand (14,000) feet in good condition, and three thousand (3,000) feet in ordinary condition. The Chief Engineer has recently recommended the purchase of two thousand (2,000) feet additional. There is a small quantity of "Blake's" linen hose included in the above.

The Chief and Assistant Engineers are appointed by the Common Council for one year only. The Chief Engineer does not devote his whole time to the duties of his office.

The "Gamewell" automatic system of fire alarm telegraph is used, having been introduced in 1867, and is in good condition. The wires are run over the house tops in the city and on poles in the outskirts. There are thirty seven (37) street fire alarm boxes located throughout the city. Keys to these boxes are in the hands of the police, thirty-two (32) in number, and the officers of the Department, and a key is kept in the immediate vicinity of each box. Three large fire bells, rung by electricity, are connected on the same circuits with the gongs in the engine houses, and there are two bells rung by hand. The whole is in charge of a superintendent who devotes his whole time to the service.

The supply of water is obtained by a system of gravitation from Sebago Lake, situated about seventeen (17) miles from the city. The lake covers a superficial area of one hundred (100) square miles, and is two hundred and sixty-seven (267) feet above tide water. The works are controlled by a private corporation. A twenty (20) inch main of wrought iron cemented pipe connects from the lower gate house, with a sixteen (16) inch pipe

of the same material running through Congress Street, (the centre of the city,) with branch supply pipes of the following dimensions:

5,000 feet of sixteen	(16)	inch pipe.
5,000 " twelve	(12)	"
5,000 " ten	(10)	"
10,000 " eight	(8)	"
54,000 " six	(6)	"
31,000 " four	(4)	"
34,000 " three and two (3 & 2)		"

Making in all about forty-five (45) miles of piping.

The head of water at the City Hall is about one hundred (100) feet, and the supply throughout the city is excellent, rendering the use of hydrant streams alone largely available. There is a reservoir located on Bramhall Hill, about one (1) mile from the centre of the city, with a capacity of twelve million (12,000,000) gallons, which is used for storage purposes only, the main supply being obtained by pipes from the lake direct.

Two (2) kinds of hydrants are in use—the "Lowry," or surface, and the upright. There are one hundred and forty-two (142) of the former and sixty-seven (67) of the latter—those located in the commercial part of the city—at an average distance of two hundred and fifty (250) feet apart. The pressure of water varies, during the summer months, it is about seventy (70) pounds to the square inch, while in winter it is only about fifty (50) pounds, the difference being accounted for by the fact that during the winter season a great amount of water is wasted from the custom which prevails of leaving the faucets in dwellings and stores open in order to prevent the pipes from freezing.

There are also sixty-three (63) reservoirs, averaging in capacity about twenty-five hundred (2,500) gallons each, located in various parts of the city, more especially in the outskirts, and wherever there is a diminished pressure of water.

There is no salvage corps, no covers used, and no chemical engine.

WORCESTER, MASS.

The Fire Department of this city is under the control of the Common Council. It is commanded by a Chief Engineer, who devotes his whole time to his duties.

There are four (4) steam fire engine companies, one (1) chemical engine company, two (2) hook and ladder companies, two (2) horse hose companies, five (5) hand hose companies, and one (1) volunteer hose company, fifteen (15) companies in all. There are three (3) steam fire engines of the "Silsby" style, and one of the "Amoskeag" style, all in good condition, and one (1) reserve engine in ordinary condition. There is also a hook and ladder truck, in ordinary condition, held as a reserve. The engines, with hose carriages attached to each, are drawn by horses, which are also employed in street repairs, etc. The horses for drawing the hose carriages are always retained ready for service. Each company has thirteen (13) men, including one (1) *permanent* man (driver).

The chemical engine is drawn by one (1) horse, has two (2) tanks of a capacity of thirty-five (35) gallons each, and is operated by two (2) *permanent* men and two (2) *call* men.

Hook and ladder truck No. 1 is new, and carries three hundred and sixty-five (365) feet of ladders, including an extension ladder of seventy-five (75) feet, with hooks, axes, etc. It is drawn by horses, owned by the city, and at times employed on street repairs, and has a force of one (1) *permanent* man and twenty (20) *call* men.

Truck No. 2 is in fair condition, with one hundred and ninety-five (195) feet of ladders, and the usual supply of hooks, axes, etc. It is drawn in case of fire by horses hired from a neighboring livery stable, taken as occasion may require, and is operated by *fifteen* (15) *call* men.

The horse hose companies consist of one (1) *permanent* man (driver), and eight (8) *call* men each, and carry seven hundred (700) feet of hose on each reel.

The hand hose companies have ten (10) *call* men each, and carry on an average six hundred and fifty (650) feet of hose on each reel. All the hose carriages are in good condition. An average of five (5) men sleep in the quarters of each company.

The volunteer hose company is located in the outskirts of the city. The carriage is drawn by hand and carries five hundred (500) feet of hose on the reel.

The five hand (5) hose carriages have a whiffle-tree attached to the tongue of apparatus, and in case of fire are taken from the houses and drawn by the members until overtaken by horses obtained from livery stables—a very objectionable method, as, were horses permanently employed, double the quantity of hose could be carried on reels and the men arrive at a fire fresh, and consequently in a better condition for work; the force of this is apparent, when the formation of the ground upon which the business portion of the city is built is taken into consideration, being in a valley, streets with very steep grades have to be overcome, making the hauling at times slow and difficult to reach the desired point.

There are seventeen thousand (17,000) feet of hose in use in the Department, eight thousand (8,000) feet of which is leather, about two-thirds in good condition and balance ordinary, four thousand (4,000) feet carbolized rubber, in good condition, four thousand (4,000) feet leather, and cotton rubber lined, new, and one thousand (1,000) feet cotton and rubber lined, in ordinary condition.

The fire alarm telegraph is of the "Gamewell" automatic system; it is in good condition and has been in use six years. The wires are laid on the housetops in the city and on poles in the outskirts, with forty-one (41) street fire alarm boxes. One of the assistant engineers acts as Superintendent of Telegraph and also as Inspector of Petroleum. The fire alarm bells are struck by electricity, and are on the same circuits as gongs in the engine houses.

The policemen, fifty (50) in number, are furnished with keys to the boxes, as also the engineer officers of the Department, and keys are left in the vicinity of the boxes.

The houses used by the Department are kept in good condition.

There is a salvage corps, consisting of four (4) *permanent* men and four (4) *call men*, stationed in the business centre, with new wagon, drawn by two (2) horses, carrying *thirty* (30) *covers*, *twenty-five* (25) of which are in good order, and five (5) in ordinary, and two portable fire extinguishers. The company is sustained by the fire underwriters, and is uniformed.

The water supply is derived from the reservoir system, water being obtained from Lynde Brook, located about five (5) miles from the business centre. The reservoir has a water shed of eighteen hundred and seventy (1870) acres, and gives a head of one hundred and seventy-five (175) feet to the lower reservoir, and about one hundred and sixty-five (165) feet from the lower reservoir to the City Hall. The upper reservoir has a capacity of six hundred and sixty-three millions (663,000,000) gallons. The high service connects with the upper reservoir, and supplies water to the section principally occupied as residences by means of a twenty (20) inch cast iron pipe from the gate house, and gradually reduced in size until it is joined by the cement lined pipes comprising the greater portion running through the side streets. The average pressure on the hills is eighty-five (85) pounds to the square inch. The lower reservoir is situated about three (3) miles from the City Hall, and connects with the high service by pressure or regulating valves; it has a capacity of three million (3,000,000) gallons. The water is distributed by means of a twenty (20) inch cement lined pipe from reservoir one thousand (1,000) feet; then connecting with eighteen (18) inch cement lined pipe two thousand (2,000) feet, and then connecting with sixteen (16) inch cast iron pipe running the entire length of Main Street, and laid last year, taking the place of the former smaller pipe, and connects with twelve (12), ten (10), eight (8), six (6), and four (4) inch pipes on side streets. The pressure in the business portion is seventy-five (75) pounds to the square inch.

There are five hundred and three (503) hydrants in service, and are of two kinds, the post and surface. The pressure of water from hydrants in the business portion of the city is sufficient to force water to the upper floor of a five (5) story building, although one or more engines respond to every alarm of fire, according to location.

There are quite a large number of high buildings on the principal streets, having Mansard roofs, and an almost total absence of iron shutters to sides and rears of buildings, attracted my particular attention.

SYRACUSE, N. Y.

The Fire Department of this city is controlled by the Common Council, and is virtually a volunteer organization. It is commanded by a Chief Engineer, who gives his whole time, and three (3) *call* assistants.

The Department consists of four (4) steam fire engine companies, and one (1) hook and ladder company; *no reserve apparatus*. A hand engine is located in the outskirts, and performs duty in that vicinity. The steamers are all of the "Amoskeag" pattern and build, two of them, Nos. 1 and 4, are in good condition, while Nos. 2 and 3 need considerable repairs—

all are drawn by horses. The horse hose carriages attached are also of the "Amoskeag" build, carrying seven hundred and fifty (750) feet of hose on each reel.

Automatic relief valves and controlling nozzles are not used. Circulating steam heaters are attached to the boilers of all the engines.

The hook and ladder truck is of the "New York" build, in good condition, carrying eight (8) ladders, including an extension ladder of sixty-five (65) feet, also hooks, axes, portable fire extinguishers etc., and is drawn by two (2) horses.

Three (3) *permanent* men are attached to each engine company, (engineer, fireman and driver), with an average of twenty-five (25) *call* men. The hook and ladder company has two (2) *permanent* men (driver and steersman), with thirty (30) *call* men.

Each company receives from the city three hundred (300) dollars per annum, which goes into the company fund. The *call* men appear to be unreliable for after-midnight fires, which is often apt to make the companies short-handed, as also the fact that the fine for absence is only ten (10) cents. The *permanent* men are not uniformed.

The Chief Engineer is elected annually by the votes of the firemen, and confirmed by the Common Council.

There is nine thousand eight hundred and fifty (9850) feet of hose in use in the Department. Seven thousand (7,000) feet of double riveted leather hose, in good order; one thousand (1,000) feet of cotton, rubber lined, in good order, and eighteen hundred and fifty (1,850) feet of leather hose, in poor and ordinary condition. The couplings on three thousand (3,000) feet of hose recently purchased, are made of too light material, rendering them liable to be easily indented and thus unfit for use. A hose depot is located on Wyoming street, where hose is repaired and kept on storage the companies being required to change hose at this depot after every working fire.

An extra hose carriage is housed at the hose depot, carrying seven hundred (700) feet of hose, and is sent for when required.

Owing to the want of exact information of the size of the pipes running through the different streets, several engines will connect with hydrants on same pipe, of small capacity, and thereby fail to get anything like a full supply of water. A system might be adopted to great advantage by designating the size of supply pipe to each hydrant by a distinct color, thus a hydrant connected with a four (4) inch pipe, might be painted a bright red, a hydrant with a six (6) inch pipe drab, and so on, care being taken to adopt such colors only as could be easily distinguished at night. This system could be well applied to other cities.

The fire alarm telegraph is of the "Gamewell" automatic system, and in good order. Wires are laid over housetops and on poles. There are thirty-four (34) street alarm boxes—keys to which are furnished to the *permanent* men, and the policemen, thirty-four (34) in number, and are also placed in the vicinity of the boxes. Fire alarms are sounded by bell on the City Hall, weighing 4,700 pounds, struck by electrical apparatus, and on same circuit as the gongs in the engine houses. There are also small bells on the engine houses, which are rung by hand.

There is no salvage corps or chemical engine.

The water supply is derived from reservoirs and the "Holly" system, under the control of a private company. The pumping house is located on Onondaga Creek, about one and a half ($1\frac{1}{2}$) miles from the City Hall, and has two (2) "Holly" rotary pumps, with a capacity of about three million (3,000,000) gallons of water per twenty-four hours. A twelve (12) inch iron pipe runs from the pump house to Onondaga Street, to and through Salina Street, with branches of eight (8), six (6), and four (4) inch pipe, the most part of the latter size. There are three (3) reservoirs; the main one is on Onondaga Hill, about four (4) miles from the City Hall, and covers eighteen (18) acres, with a water shed of about three thousand (3,000) acres. The average depth of water in this reservoir is thirty-five (35) feet, and it is used for supplying the distributing reservoirs. It has a head of about four hundred (400) feet (from the Syracuse House), with a ten (10) inch pipe from the gate house. The first distributing reservoir is situated about a quarter ($\frac{1}{4}$) mile from the pump house and has a head of one hundred and seven (107) feet above the Erie Canal, at the Syracuse House, with a capacity of one and a half million (1,500,000) gallons. The pipe from this reservoir connects by means of a Y branch pipe from the pump house, a short distance from the latter. The second distributing reservoir is located about two (2) miles from the City Hall, having a head of one hundred and sixty-five (165) feet above the Erie Canal, and has a capacity of five million (5,000,000) gallons, with two (2) pipes, twelve (12) and ten (10) inch. cement lined, from gate house. The average pressure in the business portion of the city is twenty-five (25) pounds to the square inch. There is about an equal quantity of iron and cement lined pipe used throughout the city, and is, generally speaking, too small in diameter, as difficulty is sometimes experienced in obtaining a sufficient supply of water for the engines in case of fire.

There are two hundred and sixty (260) hydrants in use, all of the upright or post pattern, and in the business portion of the city are placed about three hundred and fifty (350) feet apart. The Erie Canal runs through the heart of the city, connecting with the Oswego Canal, near the City Hall. The engine companies avail themselves of the supply of water thus afforded, when opportunity occurs, in preference to the hydrants.

The boilers in the pumping house have proved inadequate for the requirements, and are to be replaced by others of larger dimensions. The reservoirs are, however, the main dependence, the pump house being used as an auxilliary, or in case of a long continued drouth.

There are a large number of "Omnibus" blocks here, surmounted with frame mansard roofs, making it highly necessary that the Fire Department should be in the highest state of efficiency. I think it essential in all cases where there is no salvage corps, and controlling nozzles or relief valves, are not used that a chemical engine should be located in the centre of the business portion of the city, where more damage is oftentimes at present occasioned by water than by fire.

ROCHESTER, N. Y.

The Fire Department of this city is under the control of the Common Council, and is a partly paid and partly volunteer organization. There is one (1) Chief Engineer, who devotes his whole time, and four (4) Assistant Engineers, *on call*.

There are four (4) steam fire engines in service, all drawn by horses, with three (3) steam fire engines held in reserve, making seven (7) in all, with a horse hose carriage attached to each. Three (3) of the engines are of the "Silsby" style; two (2) "Lee and Larned," N. Y.; one (1) "Clapp & Jones," N. Y., with one rebuilt in the city, and all in fair condition.

There is one (1) chemical engine, drawn by horses, one (1) hook and ladder truck, in good condition, drawn by two (2) horses, carrying ten (10) ladders, the largest, an extension ladder of seventy-five (75) feet, two portable fire extinguishers, hooks, axes &c.; also one (1) reserve hook and ladder truck, in good condition, carrying fourteen (14) ladders, the largest forty (40) feet.

There are two (2) hand hose companies located in the central portion of the city, carrying six hundred (600) feet of hose on each reel, and both are in good condition.

The Protective Company, or Salvage Corps, is an independent organization, having a lightly built apparatus, drawn by hand, carrying six (6) *waterproof covers*, with a reserve of ten (10) covers, making sixteen (16) in all; also two (2) fire extinguishers, a supply of buckets, &c. There are thirty-five (35) men attached to this company, which is composed of business men, eight (8) of whom sleep in company quarters.

Three (3) *permanent* men are attached to each engine company, and six (6) *call* men. The chemical engine is operated by three (3) *permanent* men. The hook and ladder company consists of two (2) *permanent* men and sixteen (16) *call* men. The hose companies average about twenty-five (25) men each, eight men to each carriage, sleeping in the quarters. Each company receives fifteen hundred (\$1,500) dollars per annum from the city for its services, which goes into a company fund. The Protective Company receives a similar sum.

The Department is supplied with ten thousand five hundred (10,500) feet of hose, of which four thousand (4,000) feet is rubber lined, in good condition, three thousand (3,000) feet of leather, in good condition, three thousand (3,000) feet of leather, in ordinary condition, and five hundred (500) feet of combination or gum, in ordinary condition. At least five thousand (5,000) feet additional is required.

Each horse hose carriage carries six hundred (600) feet of hose on its reel, and the reserve is all kept at head-quarters in a tower, where companies are required to make a change after every working fire. A fuel wagon drawn by one (1) horse is in charge of one *permanent* man. There is an extra steamer engineer, who has charge of the reserve apparatus, and relieves engineers on leaves of absence, and one (1) *permanent* man in charge of hose depot at head-quarters.

The steam engines are used only at fires in localities, not covered by the "Holly" system, but can be called by telegraph if their services are re-

quired. The hose carriages attached to engine companies respond to all alarms for fire, within certain localities, and there is danger attending this system in case of a fire occurring in another section while the hose carriage is absent, *leaving the steamers helpless for want of a supply of hose.*

The fire alarm telegraph in use is the "Gamewell" automatic system, and is in charge of a superintendent, who devotes his whole time to the duty. It is in good condition, the wires being run on housetops and on poles. There are fifty-four (54) street fire alarm boxes, keys to which are in possession of the Aldermen, thirty-two (32) in number, and the policemen, eighty-five (85) in number—keys also being kept in the vicinity of the boxes; the *permanent* men are not furnished with keys. Fire alarms are sounded on large bell on the Court House, by means of electrical apparatus, connected on same circuit as the gongs in the engine houses, and on church bells by hand.

The city is supplied with water from two (2) sources. First, from the Genessee River by the "Holly" system, and second, from Hemlock Lake, by gravitation. The "Holly" system covers the principal business portion of the city and nearly all its high buildings. This system is intended principally for the suppression of fires. In connection with the system of gravitation are two (2) reservoirs; the first is on ground one hundred and twenty-seven (127) feet above the city, and the second about two hundred and fifty (250) feet above the city. At all fires the second reservoir pressure is put on, to aid the supply. The two systems are inter-communicable, so that if one temporarily fails, the other can be used in all the pipes of both systems. The power for operating the "Holly" pumps is supplied by two turbine wheels under a hundred foot head, also supplemented by a set of steam machinery, and at least eighty (80) per cent of the city has fire protection from this source.

The pipage of the city is all of cast iron—there are two mains from the distributing reservoir to the city, one of twenty (20) inches for the west side, and one of sixteen (16) inches on the east side, and all pipes throughout the city are thoroughly connected at every street corner. The line through the main (east and west) street of the city is a twenty (20) inch from the reservoir system, and a sixteen (16) inch from the "Holly" system. The main (north and south) line is a twenty (20) inch from the "Holly" system, and a sixteen (16) inch from the reservoir system—the radiating lines from these, towards the circumference of the city, are of sixteen (16), twelve (12), ten (10) and eight (8) inch pipes; between these radiating lines the filling in is done with twelve (12), ten (10), eight (8), six (6) and four (4) inch pipes—nothing less than four (4) inch is used. The rated guaranteed capacity of the "Holly" pumps run by water power is four millions (4,000,000) gallons per twenty-four hours, and of the steam pumps at three millions (3,000,000) gallons per twenty-four hours. The pumps have been run in connection, at the rate of twelve million (12,000,000) gallons per twenty-four hours. The pumping works are located on "Brown's" race, below the falls, and in a fire-proof building; three boilers are used for the steam machinery and for heating the building, and

fires can be raised in a few minutes if the turbines should fail. The pump house is connected with the fire telegraph, and on every alarm of fire the speed is increased, so that a full supply of water can be obtained.

There are five hundred and eighteen (518) fire hydrants in service, having two (2) or three (3) openings or deliveries. "Ludlow" valves are carried on each hose reel, to be used in case only one opening to a hydrant is required.

BUFFALO, N. Y.

The Fire Department of this city is part paid and part volunteer. It is controlled by the Common Council, and commanded by a Superintendent who devotes his whole time, and two *call* assistants.

There are thirteen (13) steam fire-engines in service, and one (1) in reserve. Eight (8) are of the "Silsby" style, four (4) of the "Sheppard" Buffalo style, and one of the "Amoskeag" style. The "Silsby" engines are in good condition; the "Sheppard" engines have been in service fourteen (14) years, and considering length of time, are in fair condition; the reserve engine, a Sheppard steamer, is in ordinary condition only, and the "Amoskeag" is a new engine, added within the past year.

Each steam fire-engine, with one exception, has a horse hose-carriage attached, carrying six hundred and fifty (650) feet of hose on each reel.

There are six hose companies composed entirely of volunteers, with light carriages, run by hand, and carrying three hundred (300) feet of hose on each reel. There are, on an average, forty-five (45) men to each company, and about six sleep in each of the company quarters. The houses are finely fitted up and very attractive, *may in fact be called club houses, and the companies with their apparatus, appear to be more ornamental than useful.*

The hook and ladder companies are four (4) in number, two (2) run by horses and two (2) by hand; the latter are entirely volunteer companies with no fixed number of men, and carry six (6) ladders each on their trucks, the longest being forty (40) feet, with hooks, axes, &c. One (1) of the truck companies is located in the central part of the city, has four (4) *permanent* men with no fixed number of volunteers, truck is drawn by horses, carrying ten (10) ladders, including one extension of seventy (70) feet, with hooks, axes, &c. The other is stationed at Black Rock, it has seven (7) *permanent* men, no *call* men. There is one (1) chemical engine run by horses and located in the business centre, with four (4) *permanent* men attached. One (1) horse-hose company, is stationed at Cold Springs with three (3) *permanent* men performing duty in that vicinity, which is covered by the "Holly" system of water-works, with a carriage carrying six hundred and fifty (650) feet of hose on reel.

One steam fire-engine, drawn by horses, with a two-horse hose carriage, carrying one thousand (1000) feet of hose on the reel, is stationed at Black Rock, in the same quarters with hook and ladder truck, and is manned by four (4) *permanent* men, companies acting in conjunction. The steam fire engine companies average according to location three (3), four (4), five (5) and six (6) *permanent* men, with a number of volunteers to each.

A heating apparatus is attached to all the engines, but relief valves and controlling nozzles are not used.

The permanent men are uniformed.

A good feature in the Department is the manner of operating with the horse hose carriages. On reaching a fire, and laying all the hose on the reel, if water passes through the hose, the carriage immediately proceeds to the hose depot located in the central part of the city, and, procuring a fresh supply of hose, returns to the fire to supply any deficiency, or is in readiness for another call. The reeling of the hose at the depot is done by two men, *permanently employed*, who also gather the wet hose immediately after a fire is extinguished, taking it to the depot, where it is examined, cleaned and stored.

There are twenty-six thousand (26,000) feet of double riveted leather hose in use in the Department, twenty-four thousand (24,000) feet of which is in good condition; (ten thousand (10,000) feet new within the last year), two thousand (2,000) feet in ordinary condition. There is also five hundred and fifty (550) feet of combination or gum hose, all of which is in good order.

There is no salvage crops

The fire alarm telegraph is what is known as the "Gamewell" central office system, and is in charge of a chief operator and three (3) assistants. The wires are run over the house tops principally, and balance on poles. New and the latest improved machinery for central office is now in course of construction, to be put in operation on the completion of the new headquarters. A talking circuit connects the central office with all the company quarters by a system of signals. There are eighty-seven (87) fire alarm street boxes, keys to which are in possession of the policemen, who number one hundred and seventy (170), and are also placed in the vicinity of the boxes. Fire alarms are sounded on two large bells struck by electrical apparatus, and on bells on police stations rung by hand. Permanent men have no keys to boxes.

The water supply is drawn through a tunnel from a shaft located about the middle of the Niagara River, and is pumped into a reservoir at present by two (2) steam engines of a combined capacity of twenty million (20,000,000) gallons per day. A contract has been awarded for a new Worthington Duplex engine and pump, with a capacity of fifteen million (15,000,000) gallons per twenty-four (24) hours, which is expected to be in operation about July 1, 1876. The capacity of the reservoir is eleven and a half million (11,500,000) gallons, with a head of eighty-four (84) feet at a given point, say the American block, in Main Street. The average pressure of water in the business centre is thirty-five (35) lbs. to the square inch.

The Holly system supplies all that part of the city lying north of Tupper Street, and east of Eleventh Street, which is principally occupied by frame dwellings. A twelve (12) inch pipe also runs the entire length of Washington Street, and is used for fire purposes only. Telegraphic connection is had with the pumping house and the headquarters of Fire Department; so that while ordinarily the pressure is forty (40) pounds to the square inch; in case of fire the pressure is increased to eighty (80) pounds to the square inch.

Ninety-three (93) miles of pipe, all iron, are laid within the city. Two (2) thirty-six (36) inch pipes, one (1) twenty (20) inch, and one (1) sixteen (16) inch pipe, are laid from the pumping house to the reservoir direct. The main pipe from the reservoir encircling the city is twenty (20) inches. A twenty-four (24) inch main runs from the reservoir, through Allen to Main Street, and a sixteen (16) inch main by way of Niagara Street. The branch pipes are twelve (12), ten (10), and eight (8) inch. A six (6) inch pipe, in addition to the twelve (12) inch pipe, runs from the reservoir through Washington Street.

The hydrants are eight hundred and fifty-one (851) in number, all of the post pattern, and are placed about five hundred (500) feet apart, and closer in the business section; of these two hundred and seventy-seven (277) are connected with the "Holly" system.

The Superintendent strongly advocates the conversion of the Department into a wholly paid system.

DETROIT, MICH.

The Fire Department of this city is controlled by a commission of four (4) persons. There is a Chief Engineer and one Assistant Engineer *permanently* employed—the latter is also Superintendent of the Fire Alarm Telegraph—and there is one (1) *call* Assistant Engineer.

There are eight (8) steam fire engine companies in service, all of the "Amoskeag" style, seven being drawn by horses and one self-propeller—all in good condition. Each company has a horse hose carriage, carrying eight hundred and fifty (850) feet of hose on reel. One reserve engine. There are two (2) hook and ladder companies in service, with apparatus drawn by horses, and one (1) hook and ladder truck held in reserve. Each truck carries eight (8) ladders; with an extension ladder of sixty-five (65) feet, and fire extinguishers, hooks, axes, etc. There are six (6) forty-five (45) foot ladders, stationed in convenient places in various parts of the city, to be used in case of necessity. An additional engine company will be organized and placed in service about June 1st, 1876. An extra horse hose carriage, with reel carrying one thousand (1,000) feet of hose, is stationed in one of the engine houses, and sent for when required.

The self-propeller is stationed at head-quarters, and ninety (90) pounds of steam is kept on the boiler at all times, so as to be ready for immediate service. Six (6) *permanent* and four (4) *call* men are in charge. The other companies have four (4) *permanent* men and six (6) *call* men; the latter are required to sleep in quarters. It is proposed to add, during the coming summer, two (2) chemical engines, one to be located in the business centre and the other in the outskirts. Heating apparatus is attached to all the engines, and nearly all have been furnished with relief valves and controlling nozzles.

The Department possesses a fire escape, built at Port Huron, Michigan, and called a "Fire Escape and Hose Elevator." It can be raised to a height of seventy-two (72) feet, and the invention possessing considerable merit, is likely to prove very serviceable.

The *permanent* men of the Department are uniformed, and all appointees are required to pass an examination by a physician. A thorough system of discipline is maintained throughout the Department.

No salvage corps has yet been organized.

Watchmen in the towers connected with the engine houses, are on duty during the night, and in case of fire sound the alarm on the bell by hand. A large bell placed on the City Hall is struck by electrical apparatus on the same circuit as the gongs in the engine houses.

House-patrol duty is performed throughout the Department, one man being stationed on the floor, to watch for alarms for fire.

The Fire Alarm Telegraph in use is the "Gamewell Automatic" system. A new "ten circuit *non interference*" repeater has been recently added, which prevents possible confusion and error likely to arise should two signals for the same alarm be attempted to be sent in at the same time. There are eighty-one (81) street fire-alarm boxes in use. The telegraph wires are run on poles, and only in a few locations, over house-tops. Keys to the street-boxes are placed in the immediate vicinity, and are also in the possession of policemen, one hundred and thirty (130) in number. A talking circuit connected with the street-boxes, communicates direct with the quarters of each company.

The quarters of the companies are roomy, and kept in excellent condition.

There are ten thousand and two hundred (10,200) feet of hose in use, of which fifty-four hundred (5400) feet are combination or rubber, and forty-eight hundred (4800) feet double riveted leather, all in good condition.

Water supply is obtained from the Detroit River. The pumping works are located about one mile from the City Hall, with three (3) steam engines, having a combined pumping capacity of twenty-eight million (28,000,000) gallons per twenty-four (24) hours. Usually the larger engine is used, having a pumping capacity of eighteen million (18,000,000) gallons per twenty-four (24) hours, while the two smaller engines, having a united capacity of ten million (10,000,000) gallons per twenty-four (24) hours, can be connected. Water is pumped towards the reservoir, located about two miles distant. There are two (2) twenty-four (24) inch pipes and one eight (8) inch, pipe called force mains, communicating with supply pipes at each street crossing. When the engines are at work, the water pumped in excess of the demand passes into the reservoir, and when the excess has filled the reservoir the pumping ceases—the supply is then from the reservoir. The capacity of the reservoir is nine and a half millions (9,500,000) gallons, and has a head of seventy-seven (77) feet from a given point—say Woodward and Jefferson Avenues—and the average pressure at this point is twenty-three (23) pounds to the square inch.

There are five hundred and twenty-two (522) fire hydrants (all post or upright) located within the city lines, at an average distance of three hundred (300) feet apart. There are also one hundred and sixty-eight (168) cisterns located in various parts of the city, supplied with water from the pipes, which are kept in good order and occasionally are quite useful.

CLEVELAND, O.

The Fire Department of this city is controlled by a commission composed of four (4) persons recently elected by the people, and the Chairman of the Committee on Fire Department of the Common Council.

There is a Chief Engineer and three (3) Assistant Engineers, one of the latter is also Superintendent of Fire Telegraph, all of whom are permanently employed.

The apparatus consists of eleven (11) steam fire engines and four (4) hook and ladder trucks, all in good condition, and drawn by horses. Ten (10) of the engines are of the "Silsby" build, and one (1) of the "Amoskeag" style, with one (1) "Silsby" engine in reserve. There are no reserve hook and ladder trucks. Eight of the engine companies have two (2) one (1) horse hose carts, each carrying seven hundred and fifty (750) feet of hose, and the other three (3) companies have a one (1) horse hose cart each, carrying same amount of hose. Heating apparatus is attached to the boilers of all the engines, and seven (7)—those located in the mercantile portion of the city—have automatic relief valves and controlling nozzles. There are also two (2) reserve horse hose tenders, carrying seven hundred and fifty (750) feet of hose on each reel, stationed one on each side of the city, which can be sent for when required. The hook and ladder trucks carry, on an average, eight ladders each, one (1) having an extension ladder of fifty-five (55) feet, while all are provided with portable fire extinguishers, hooks, axes, &c., are drawn by horses, and are in good condition. Two (2) of the hook and ladder trucks, those located in the outskirts of the city, carry three hundred (300) feet of linen hose, rubber lined, each, in their apparatus.

The Protective Department, or Salvage Corps, has one (1) wagon (new), drawn by horses, owned by the city, and located at headquarters of the Fire Department. The wagon carries portable fire extinguishers, &c., and twenty (20) waterproof covers, and there are ten (10) in reserve, making in all thirty (30) covers, the property of the underwriters. There are four *permanent* men attached to this apparatus, and paid by the underwriters. No *call* men.

There are six (6) *permanent* men and four (4) *call* men to each company. The *call* men sleep in quarters, and the *permanent* men are uniformed. The discipline of the department is fully maintained; men are drilled in the manner of hitching horses to apparatus, etc., and roll is called twice daily, morning and evening. House patrol duty is performed, and the quarters are kept in good condition. The department was, until last year, a full paid one, but was changed to the present plan on the score of economy. Its working, however, has been very unsatisfactory, and there seems to be no doubt that the old system will be re-established.

There are sixteen thousand four hundred (16,400) feet of hose in use by the department, of which fourteen thousand nine hundred (14,900) feet is in good condition. Thirteen thousand seven hundred (13,700) feet is combination or gum hose, twelve hundred (1,200) feet of linen and cotton rubber lined hose, and fifteen hundred (1,500) feet of combination or gum hose, in fair condition is held in reserve.

There is no chemical engine in service.

The Fire Alarm Telegraph was built by the department, and has been in operation since 1864, and is in charge of one of the assistant engineers. It is an automatic system, and is represented to be in good working condition. The wires are laid over housetops in the business portion of the city, and on poles in the outskirts. There are five (5) circuits connecting, making one continuous circuit; also a talking circuit, connecting with all company quarters, whereby a system of signals, with which the men are familiar, is in use for fire purposes. There are one hundred and fifty-five (155) street fire alarm boxes, keys to which are in the hands of the policemen, one hundred and seventy-six (176) in number; one in each company quarters, and two are placed in the vicinity of the boxes. Fire alarms are given from bells on the towers of the engine houses, struck by hand. A plan is in contemplation to place a large bell on the roof of the City Hall, to be struck by electricity.

The water supply is taken from Lake Erie by means of three pumping engines, one pair of "Cornish" engines and pumps operating singly or together, and a compound duplex "Henderson" engine and pump, built at the "Cuyahoga Works," Cleveland; their combined pumping capacity being equal to eighteen million (18,000,000) gallons per twenty-four hours. A contract has been entered into for a "Worthington" engine and pump, with a capacity of ten millions (10,000,000) gallons daily, and it is expected that it will be in operation about June 1, 1876. There are two (2) pumping mains from each engine, a thirty-six (36) inch and a twenty-four (24) inch. The surplus water is forced into a reservoir of six million (6,000,000) gallons capacity, having a head of seventy-five (75) feet to "Public Square;" the pressure at this point is thirty (30) pounds to the square inch.

The quantity of pipe in use is as follows:—

Main pipe	.....	30 inch,	13,000 feet.
"		24 "	10,250 "
"		20 "	10,900 "
"		16 "	12,500 "
Distributing pipe	12 "		6,562 "
"	"	10 "	5,800 "
"	"	8 "	62,500 "
"	"	6 "	177,400 "
"	"	4 "	117,200 "

Nearly all being iron, a small portion only cement lined.

There are six hundred and fifty-three (653) upright hydrants, averaging a distance of four hundred (400) feet apart, in the thickly built up portion of the city, and at greater intervals in the outskirts. More hydrants are much needed, as the necessity of having them closer together, where most likely to be required, is obviously important.

A difference of opinion having existed as to the capacity of the different size pipes to supply several steam engines at same time, at any given point, a test was made last summer. Nine (9) steam fire engines were placed in position, and it was conclusively shown that there was an in-

adequate supply to be obtained throughout the mercantile portion of the city. To remedy this deficiency an eight (8) inch iron pipe has been laid through Superior Street, from Water Street to the Public Square, *for fire purposes exclusively*. It is proposed to lay an additional main through St. Clair Street (running parallel with Superior Street) of eight inch iron pipe during the coming summer, also entirely for fire purposes.

SPRINGFIELD, MASS.

The Fire Department of this city is governed by the Common Council, and commanded by a Chief Engineer *permanently* employed, and four (4) call assistant-engineers, all elected *annually* by the Common Council.

There are four (4) steam fire-engines in service, and one (1) engine in reserve. Three (3) are of the "Amoskeag" build, and one (1) of the "Jacket" (Boston) style, all in good condition. The reserve engine is of the "Jeffers" (R. I.) style, and in ordinary condition. Circulating steam heaters are attached to the boilers of the three steam-engines in the city proper. Relief valves and controlling nozzles, with which to attach to hydrants of high service pipe, have just been added. Besides these steam-engines, there is one with hose carriage attached, owned by the Boston and Albany R. R. Co., and stationed at the depot, but not intended for general service, and another, of the "Amoskeag" style, belonging to the U. S. Government, with a two-horse hose carriage, carrying nine hundred (900) feet cotton rubber-lined hose on reel; this apparatus is only available when a general alarm is sounded, and considerable form and ceremony have to be gone through with before the apparatus can be brought out into active service, causing much delay.

One of the steam fire-engines belonging to the city is stationed at Indian Orchard, about five miles distant, and is only used for fires in the vicinity, except in case of a general alarm. The men are all *call*, and the horses are procured by hire as occasion demands. An "Amoskeag" two-wheeled horse hose tender carrying eight hundred and fifty (850) feet of hose on reel is attached to each engine company in active service. One (1) hand hose company, with carriage carrying five hundred (500) feet of hose on reel, also performs duty in the city proper, the members receiving nominal pay. There is one (1) hook and ladder company in active service, with apparatus, located at head quarters. The truck is new, of the "New York" style, carrying nine (9) ladders, including an extension of seventy-five (75) feet, portable fire extinguishers, hooks, axes, &c., and drawn by two (2) horses. The other hook and ladder truck is in good condition, carrying six ladders, including an extension of fifty (50) feet, with hooks, axes, &c.; it is built to be drawn by horses, but has *no company attached* at present. It is located in a temporary shed near the quarters of Engine No. 4; is expected to cover considerable territory, consisting principally of frame buildings, and is operated with horses hired from a neighboring stable, which also furnishes the driver and steersman. There is a one-horse hose tender independent of those attached to the

engine companies, carrying eight hundred and fifty (850) feet of hose on reel, operated by one (1) *permanent* driver and twelve *call* men, and housed at head quarters.

There is also a hose tender carrying one thousand (1,000) feet of hose on reel stored at headquarters, and can be sent for when required.

The force of the Department consists of thirteen (13) *permanent* men, including the Chief Engineer, two (2) drivers and steamer engineer of each engine company, driver and tillerman to the hook and ladder truck, and the driver of the horse hose company. The steam fire engines have twelve (12) *call* men to each company located in the city proper, and twelve *call* men are attached to the hook and ladder company; an average of six (6) *call* men sleep in the quarters of each company. The *permanent* men are not uniformed.

There is one (1) chemical fire engine, drawn by hand, with two tanks of thirty-five (35) gallons capacity each, in ordinary condition, but not in general service.

There are nine thousand nine hundred and fifty (9,950) feet of double riveted leather hose in use in the Department, seven thousand (7000) feet of which is in good condition, (six thousand (6000) feet added since the large fire of May 30, 1875,) and twenty-nine hundred and fifty (2950) feet in ordinary condition. The reserve hose in the quarters, except that at headquarters, and house of Engine Company No. 1, on Bond Street, is very badly cared for, being coiled up in lengths, detached and piled up on the floor, there being no hose towers attached to the house.

All the couplings used on the hose and hydrants are of a patented description; and in the event of a large fire occurring, calling for assistance from neighboring cities and towns, delay and difficulty would be experienced from want of uniformity in style.

Long brass pipes are in general use, making it difficult to change direction of stream in working around sharp corners inside of buildings, and with great liability of bursting hose. The appearance of these pipes would be considered, in a well regulated Department, as evidence of a disposition to fight a fire from the *street* rather than at close quarters within the building.

The Fire Alarm Telegraph is of the "Gamewell" automatic system, and in charge of a superintendent, whose time is only partially employed. Has been in service eight (8) years, and is in good condition. The wires are laid on poles and house tops. There are twenty-seven (27) street fire alarm boxes, keys to which are in the hands of the policemen, twenty-three (23) in number, and are placed in the vicinity of the boxes. The boxes are scattered, and, in some instances, are one-half ($\frac{1}{2}$) a mile apart, especially in the outskirts. Fire alarms are sounded on the large bell on the City Hall by electrical apparatus on the same circuit as the gongs in the engine houses. The striking apparatus is imperfect, as the alarms cannot be heard at any considerable distance. There is also a bell on the tower of one of the engine houses, which is struck by hand.

There is no salvage corps.

The discipline of the Department is in a very low state, owing to a reduction of pay, and a variety of other causes.

The water supply of the city consists of two (2) systems—"High" and "Low" service. The high service supplied from Ludlow reservoir, covering about four hundred and forty-five (445) acres, with a water-shed of between eight (8) and nine (9) square miles, and having a capacity of over two billion (2,000,000,000) gallons, distant from City Hall about eleven and a half (11½) miles, with a head of three hundred and twelve (312) feet at the City Hall. From the gate house to the Armory grounds the water is conveyed through a twenty-four (24) inch cast iron and iron and cement pipe. In vicinity of the Government Armory grounds the greater part of the pipe is sixteen (16) inch cast iron, to Main Street, where it connects with the low service system by means of a pressure regulator or valve; thence the sixteen (16) inch pipe passes up Main Street to a short distance above the Railroad Depot. At Hancock Street is a sixteen (16) inch branch cement and iron pipe, from twenty-four (24) inch main pipe, passing through Hancock and other streets, and connecting at Locust Street with low service by a pressure regulator or valve. This main encircles the south and east part of the city, and connects with distributing pipes of six (6) and eight (8) inches, through all the principal streets in that section of the city. Nothing smaller than six (6) and eight (8) inch pipe is used for fire purposes. In Dwight and Willow Streets (running parallel with Main Street), and from three hundred (300) to six hundred (600) feet therefrom, there are ten (10) inch cast iron pipes laid with a view of protecting the rears of buildings on Main Street. There are one hundred and thirty (130) high service fire hydrants (all post), having two (2) nozzles (a few have three (3)). On Main Street, and streets on the same level, *the pressure is about one hundred and thirty-five (135) pounds to the square inch*, and the hydrants are at an average distance of about two hundred and fifty feet (250) feet apart. The Low service is supplied by two (2) reservoirs, both located within the city limits—one the "Van Horn," having a capacity of over one hundred million (100,000,000) gallons, supplying the city through two (2) pipes—one a twenty (20) inch, cement and iron, the other a twelve (12) inch cement and iron. The twenty (20) inch pipe passes through several streets to Main Street; thence through a sixteen (16) inch pipe to Hampden Street (a little south of depot); thence through a twelve (12) inch pipe to Water Street; thence through several streets to Mill Street, connecting then with the High service by pressure valve or regulator, and distributing branches and connections of six (6), four (4), and three (3) inches. The twelve (12) inch pipe (cement and iron) passes by a different route to Main Street, branching at this point with eight (8) inch pipes, north and south. The north branch to the Wason Car Works, and the south branch, down Main Street by a twelve (12) and eight (8) inch pipe reduced to State Street, connecting here with high service by pressure valve or regulator; thence down Main Street to Gardner Street, connecting these with the twelve (12) inch pipe previously mentioned and distributing branches and connections eight (8), six (6), four (4), and three (3) inches. There are one hundred and forty-five (145) hydrants—(ninety-five (95) post and fifty (50) flush or surface) connected with the low service. The

pressure at the City Hall is about forty-four (44), pounds to the square inch. The "Lombard" reservoir supplies an eight (8), inch pipe, (connecting at Chestnut Street, near the Boston and Albany Rail Road), with the distributing pipes of the "Van Horn" reservoir previously mentioned, and has the same head as that reservoir, with a capacity of about nine million (9,000,000), gallons. Both reservoirs are supplied by springs and brooks, are located on about the same level, about one-half ($\frac{1}{2}$), a mile apart, and two miles from the City Hall. There is about fifty-five (55), miles of pipage in the city, (including pipes from reservoirs), both high and low services. Both high and low service pipes are laid on Main Street.

GENERAL OBSERVATIONS.

The following general observations are submitted for the information of members, as the most of the extended observations made in the foregoing cities.

Hose Couplings.

The different style of hose couplings in use, varies greatly throughout the country; no thoroughly efficient system of co-operation between the departments of cities and towns lying contiguous to each other, can be looked for until steps are inaugurated by which a perfect uniformity of style shall be brought about, and put in general operation.

Stationary Platforms.

When assistance, in case of a large fire, is desired to be sent to a neighboring city or town, a great deal of unnecessary labor and trouble is occasioned, and valuable time lost for want of some convenient method of elevating the fire apparatus upon the platform cars for transportation. A stationary platform could be easily and cheaply erected at, or in the vicinity of each railroad station, and while being specially adapted for the purpose, could be made convenient for other uses. This plan, together with the suggestion as to uniformity in style of hose couplings, would render the relief to be afforded, speedy and effectual.

Iron Shutters.

In cities where iron shutters are in use, much delay and difficulty is experienced in effecting openings. A simple instrument is suggested, and will be found quite effective for this purpose. A *pick*—somewhat similar to the kind in use on hook and ladder trucks, finished with a steel point and head, weighing about four pounds, attached to a handle of hard wood, say fifteen (15), or eighteen (18), inches in length—with a strong leather loop near the end, to secure it to the hand grasping the handle, thus the fireman sustaining himself with his left hand to the ladder, operates surely with his *pick*, and a few well directed blows upon the bricks, stone, or other setting surrounding the fastenings, soon brings the shutter to the ground.

Excessive use of water.

When it is considered that a steam fire engine of ordinary capacity discharges, on an average, four hundred (400) gallons of water per minute, the quantity thrown by several steamers at work in the same time, must be

immense, and the damage to the property oftentimes proportionate. Too much importance cannot be attached to the necessity of insisting upon the exercise of greater discretion in this respect—good judgment on the part of officers in command will be best demonstrated by a judicious use of water, as the extinguishment of a fire very often does not so much depend on the quantity of water employed as upon its proper application.

Hook and Ladder Apparatus.

Too much importance cannot be attached to this arm of the service. A town or village supplied with a truck with portable fire extinguishers, an assortment of hooks, axes, and other implements, possesses a small fire department in itself, and frequently will be found an auxiliary of a value often very much under-estimated. In cities where high buildings standing isolated, or adjoining lower ones with peaked roofs, have been constructed, it is sometimes necessary, in case of fire, to operate from the roof—especially for purpose of affording ventilation, in permitting firemen at work within a building to ascend to the upper floors—care should be exercised therefore, in all cases, to provide ladders capable of reaching the roof of the tallest buildings.

Uniform and Keys to Fire Alarm Boxes.

All firemen permanently employed should be uniformed, as it has a much better tendency to promote discipline, and increase the efficiency of the departments—from the prominence with which it marks their occupation. Permanent men should, by all means, have keys to the fire alarm boxes where telegraphs are in use—too many keys cannot be distributed, *provided they are placed in hands of discreet persons*, and under strict regulations as to their use.

Compact Organizations.

A small, well-disciplined force is far more reliable and effective than a large and unwieldy organization. The difference being that the former are well drilled and thoroughly acquainted with the duty required of them, while in the other there is at times confusion and a want of proper co-operation.

Instruction.

More especially in towns or small cities where the duties are not sufficient at all times to give the firemen the benefit of practical experience, the Chief Engineer or commanding officer could, with great benefit and advantage, convene meetings of the subordinate officers for exemplification and discussion as to the best method of extinguishing fires, as tending to produce greater harmony of action and promoting the efficiency of the system.

Chemical Engines.

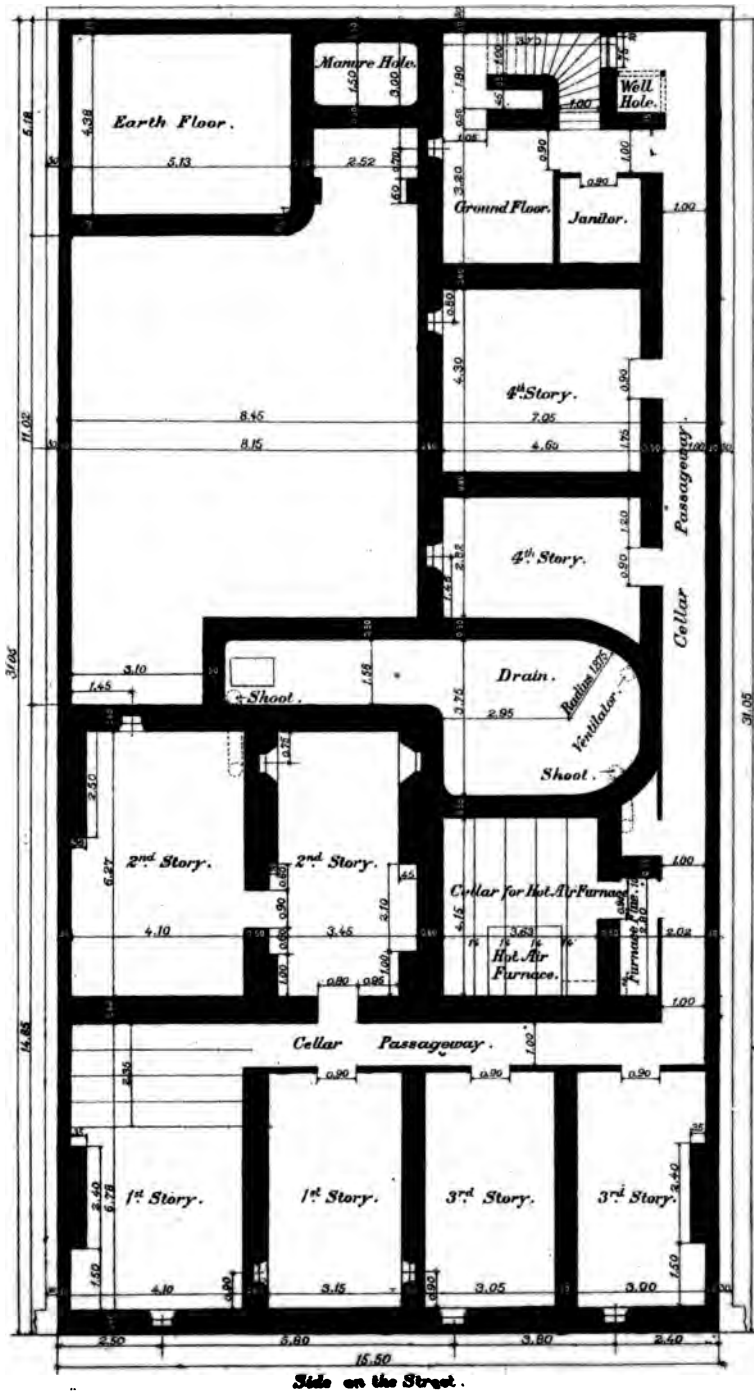
Chemical engines can be used with great advantage and effect whenever there is a scarcity of water, or where a fire can be taken in its incipiency. The apparatus is light, easily operated, and can be maintained at a very slight cost. Their use has become very popular wherever introduced.

DESIGN FOR AN APARTMENT HOUSE.

with apartments on the Ground Floor.

PLAN OF THE CELLARS.

SCALE OF ORIGINAL PLAN .02 TO A METRE.



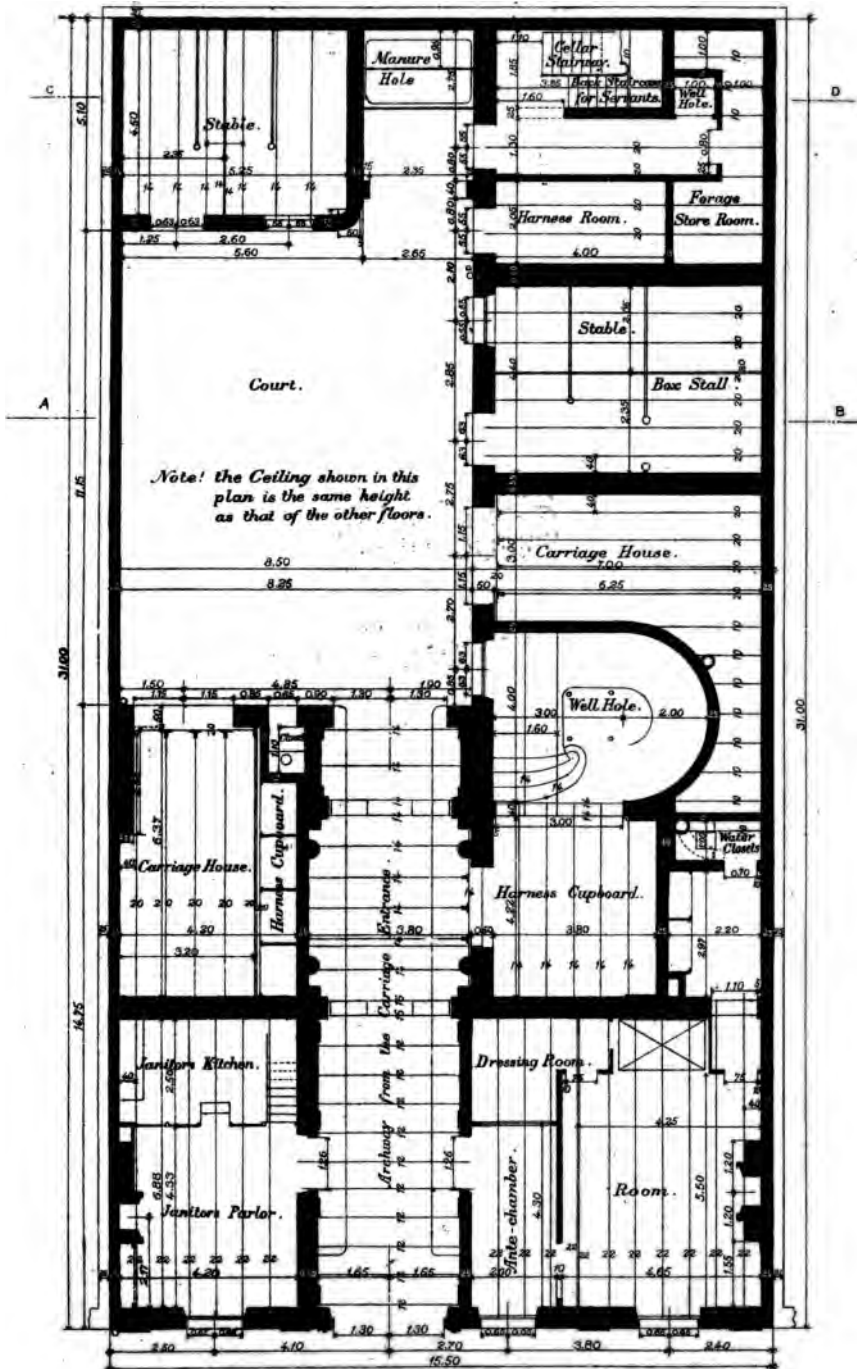
THE NEW YORK
PUBLIC LIBRARY

ASTOR, LENOX AND
TILDEN FOUNDATIONS.

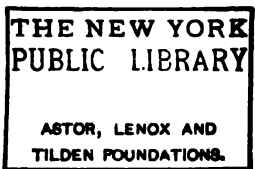
DESIGN FOR AN APARTMENT HOUSE. with apartments on the Ground Floor.

PLAN OF THE GROUND FLOOR.

SCALE OF ORIGINAL PLAN .02 TO A METRE.



Side on the Street.

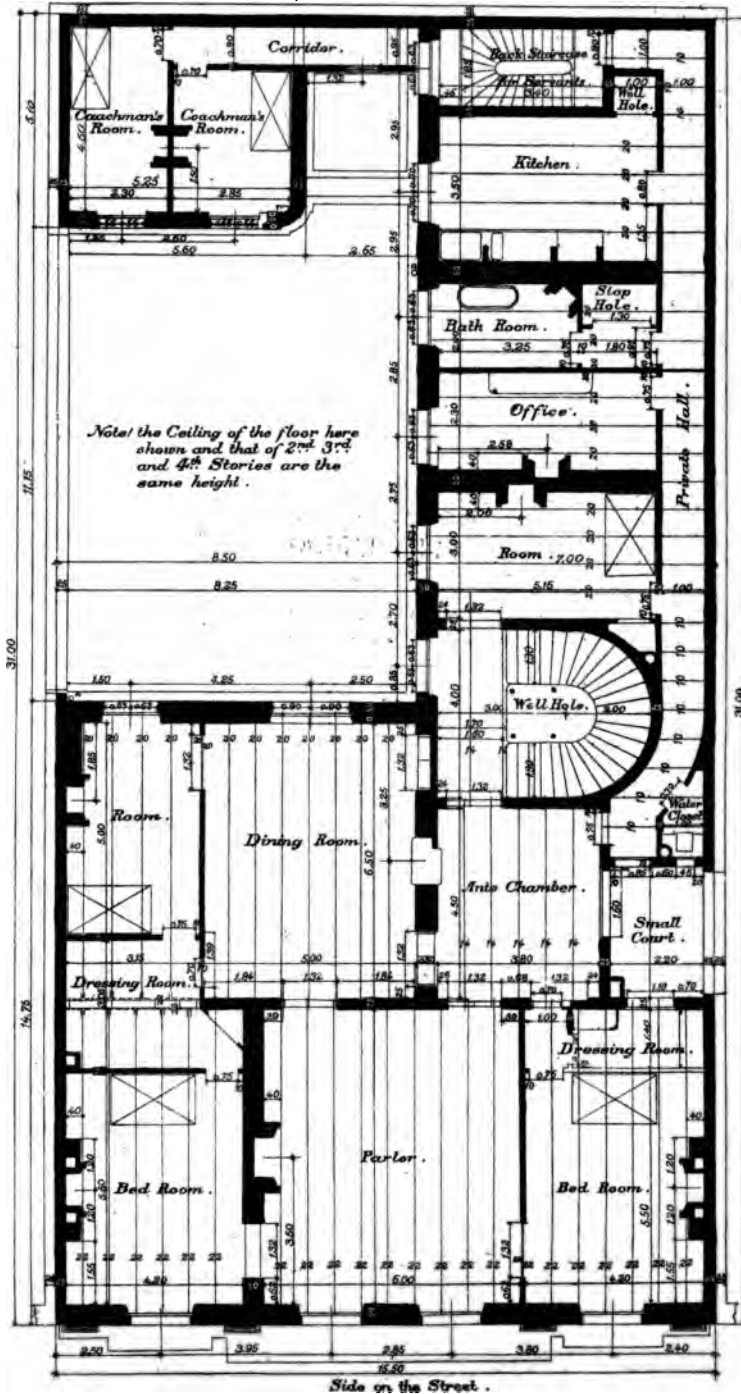


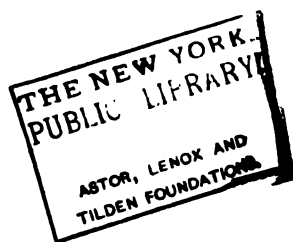
DESIGN FOR AN APARTMENT HOUSE.

with apartments on the Ground Floor.

PLAN OF THE FIRST STORY.

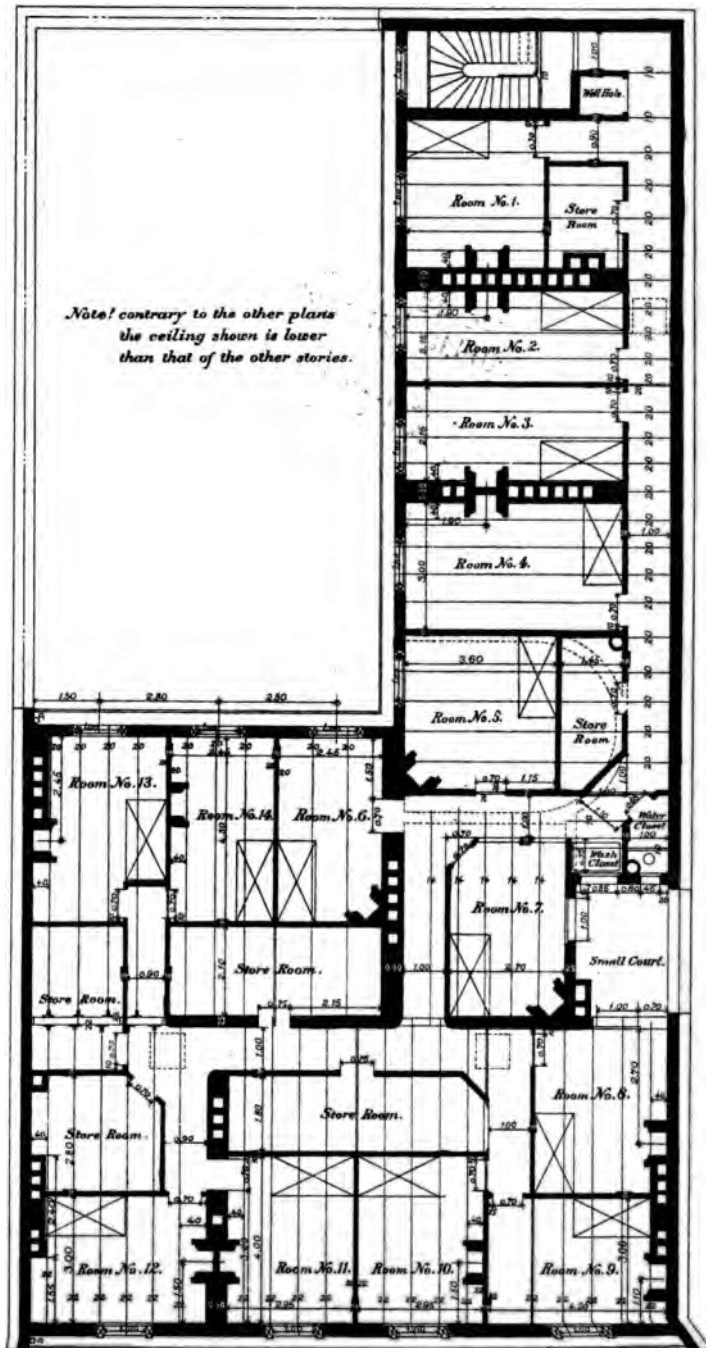
SCALE OF ORIGINAL PLAN .02 TO A METRE.

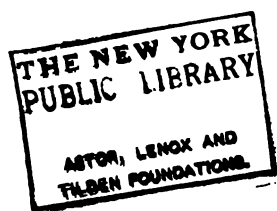




DESIGN FOR AN APARTMENT HOUSE. with apartments on the Ground Floor. PLAN OF THE TOP STORY.

SCALE OF ORIGINAL PLAN .02 TO A METRE.

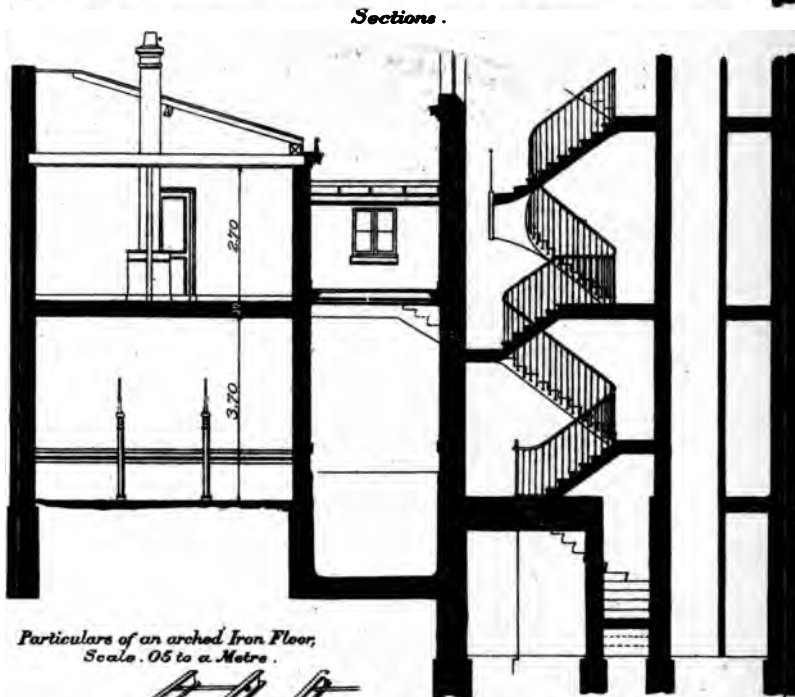
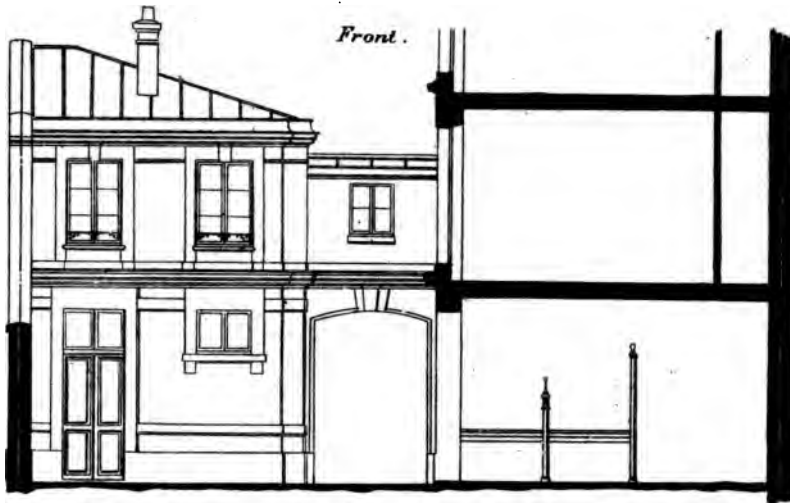




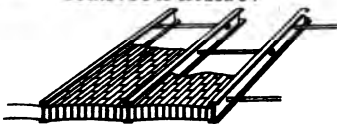
DESIGN FOR AN APARTMENT HOUSE. with apartments on the Ground Floor.

FRONT AND SECTIONS.

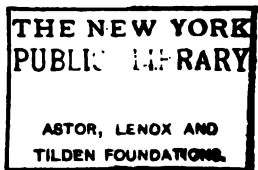
SCALE OF ORIGINAL PLAN .02 TO A METRE.



*Particulars of an arched Iron Floor,
Scale .05 to a Metre.*



- A. Iron Beams T shaped.*
- B. Iron Bolts running through all the Beams about every 2. Metres and alternating.*
- C. Brick arches, having more or less rise according to the height of the iron (Beams.) These arches rest upon the lower ledges of the iron Beams.*

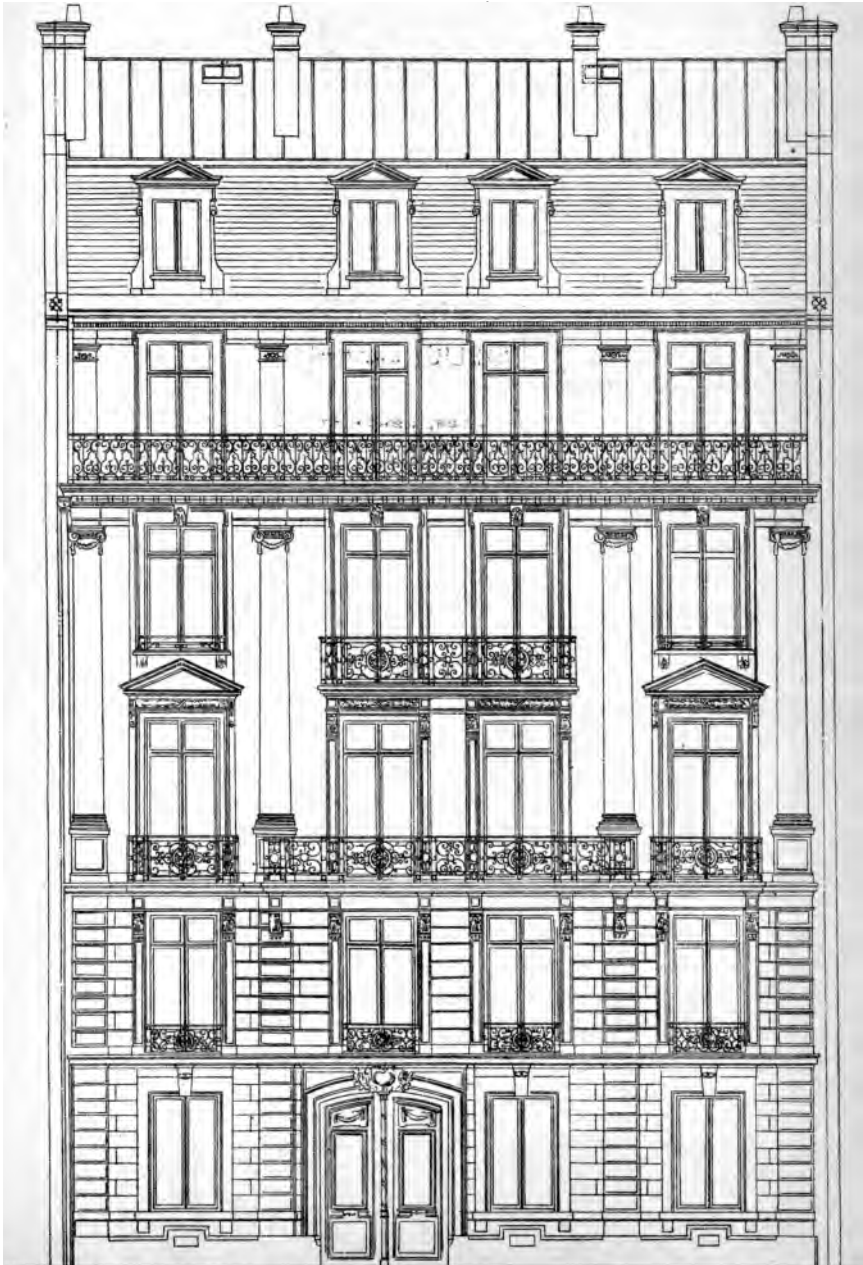


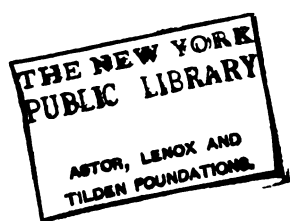
1st PLAN.

DESIGN FOR AN APARTMENT HOUSE.
with apartments on the Ground Floor.

STREET FRONT.

SCALE OF ORIGINAL PLAN .02 TO A METRE.





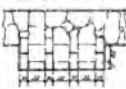
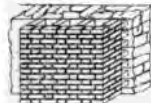
Particulars of the Construction
of the Chimney Shafts.

Scale of 1 to 6. Metre.

Chimneys built in the Walls.



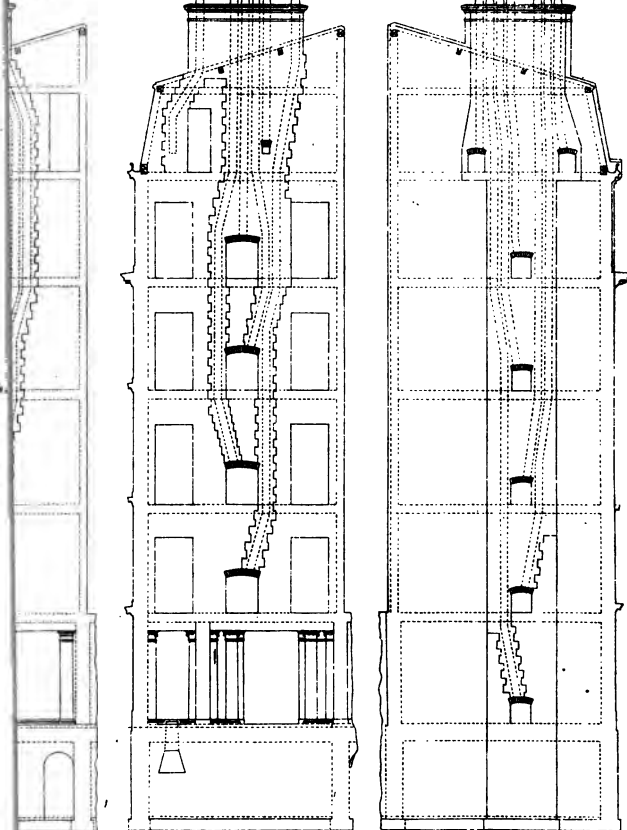
Chimneys built against the Walls.

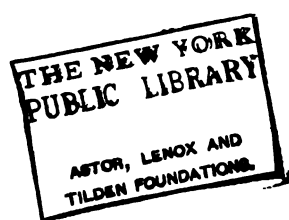


Street & the Parlor.
(in Wall.)

Wall between the Dining Room & the Antechamber.
(Chimneys built in the Wall.)

Party Wall on the Right.
(Chimneys built against the Wall.)

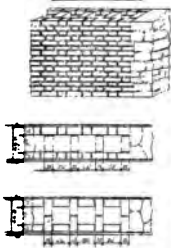




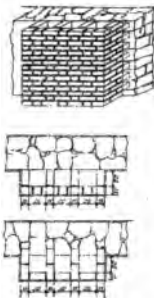
*Particulars of the Construction
of the Chimney Shafts.*

Scale: 65 to a Metre.

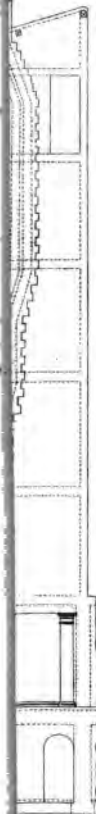
Chimneys built in the Walls.



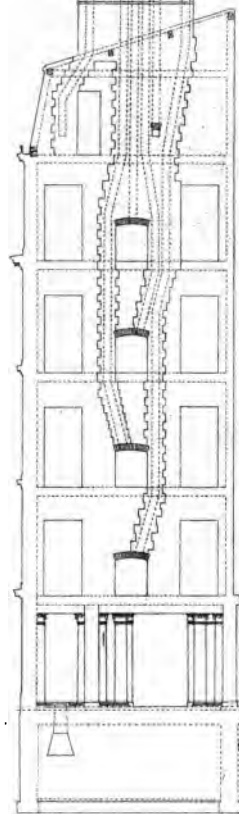
Chimneys built against the Walls.



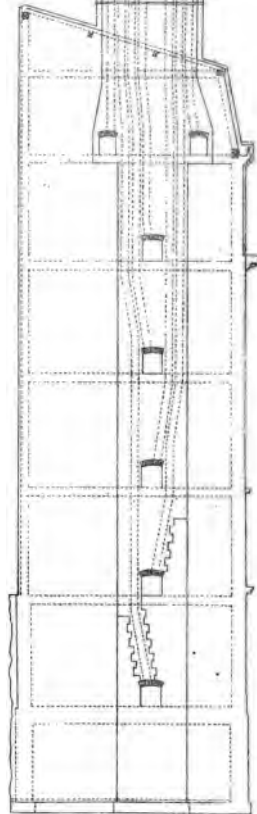
*Street & the Floor.
(the Wall.)*

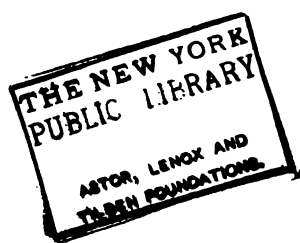


*Wall between the Dining Room & the Antechamber.
(Chimneys built in the Wall.)*



*Party Wall on the Right.
(Chimneys built against the Wall.)*

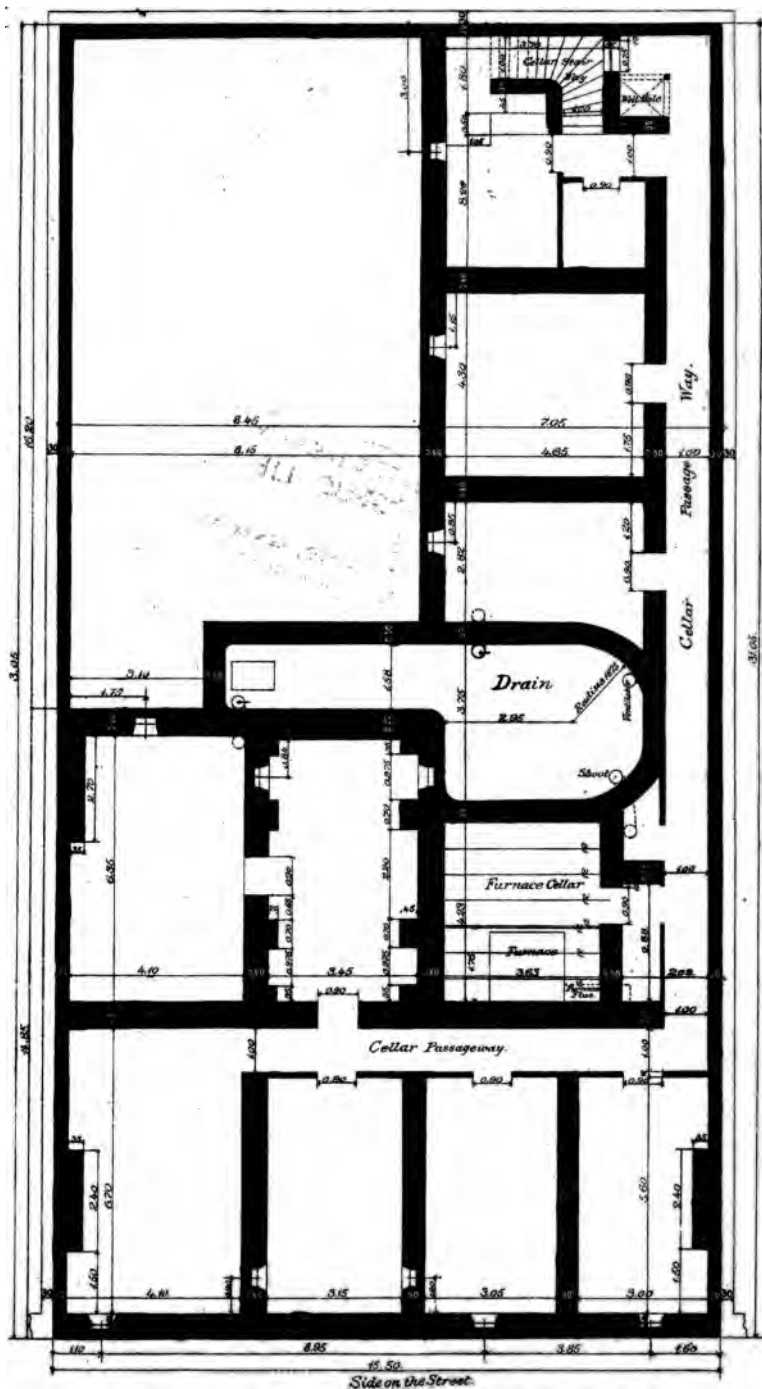


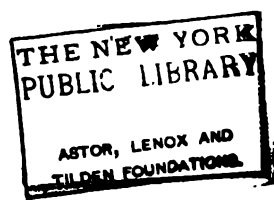


DESIGN FOR AN APARTMENT HOUSE. with Stores on the Ground Floor.

PLAN OF THE CELLARS.

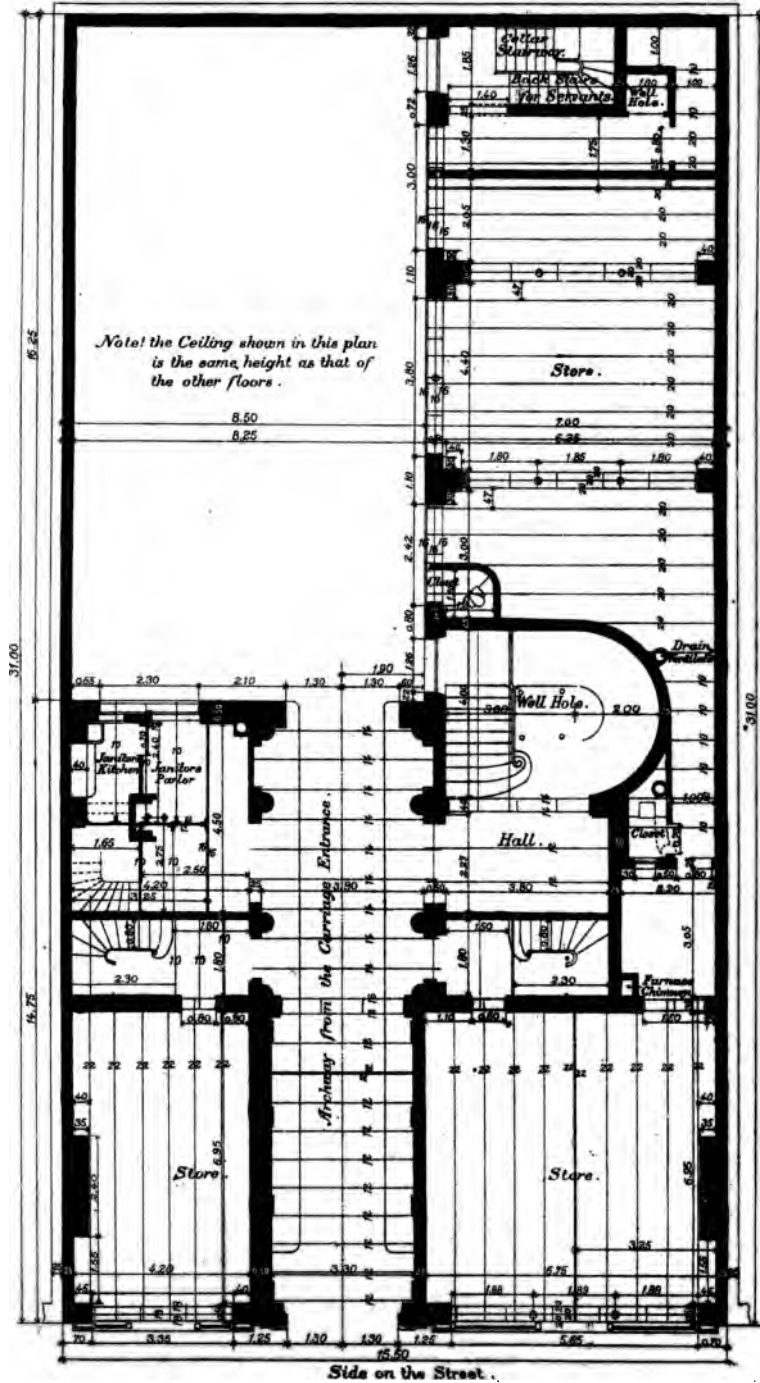
SCALE OF ORIGINAL PLAN .02 TO A METRE.





DESIGN FOR AN APARTMENT HOUSE. with Stores on the Ground Floor. PLAN OF THE GROUND FLOOR.

SCALE OF ORIGINAL PLAN .02 TO A METRE.

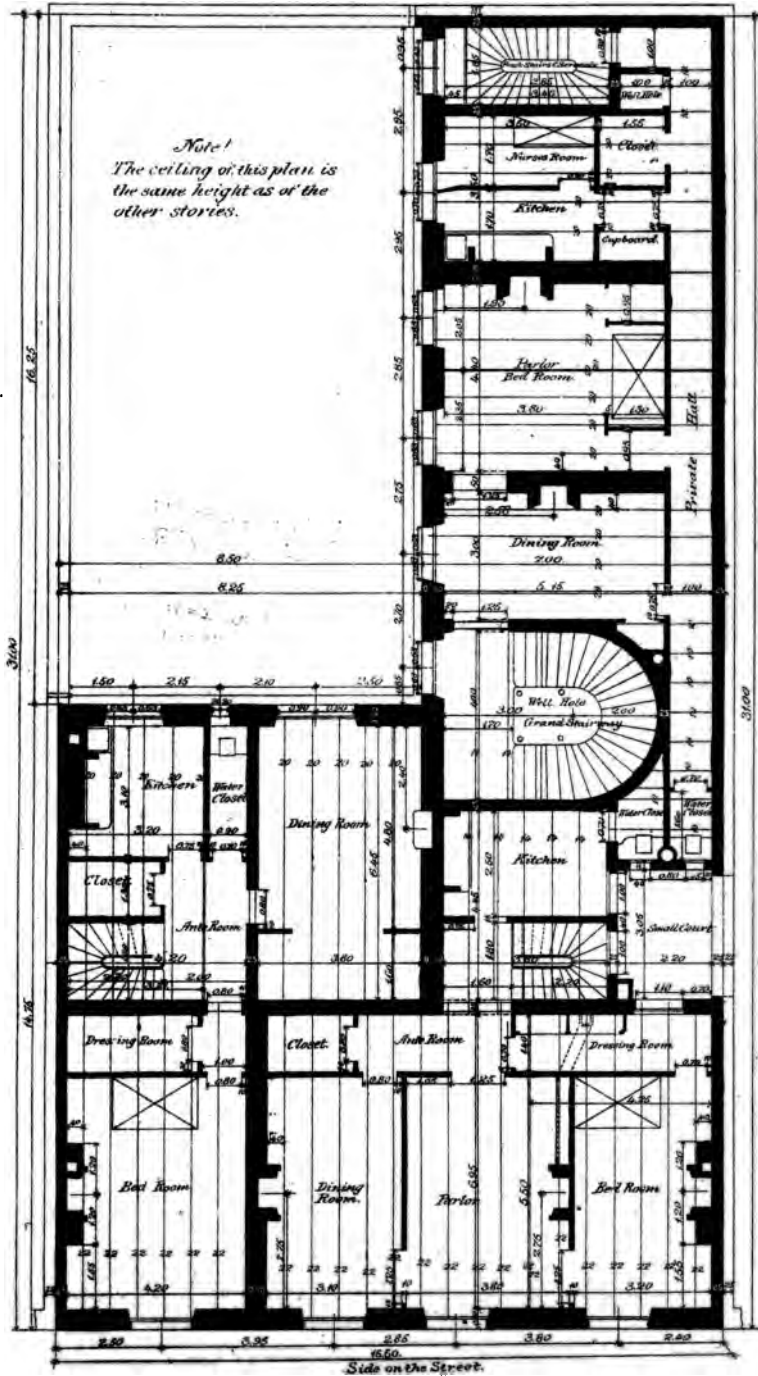


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DESIGN FOR AN APARTMENT HOUSE. with Stores on the Ground Floor. PLAN OF THE FIRST STORY.

SCALE OF ORIGINAL PLAN .02 TO A METRE.



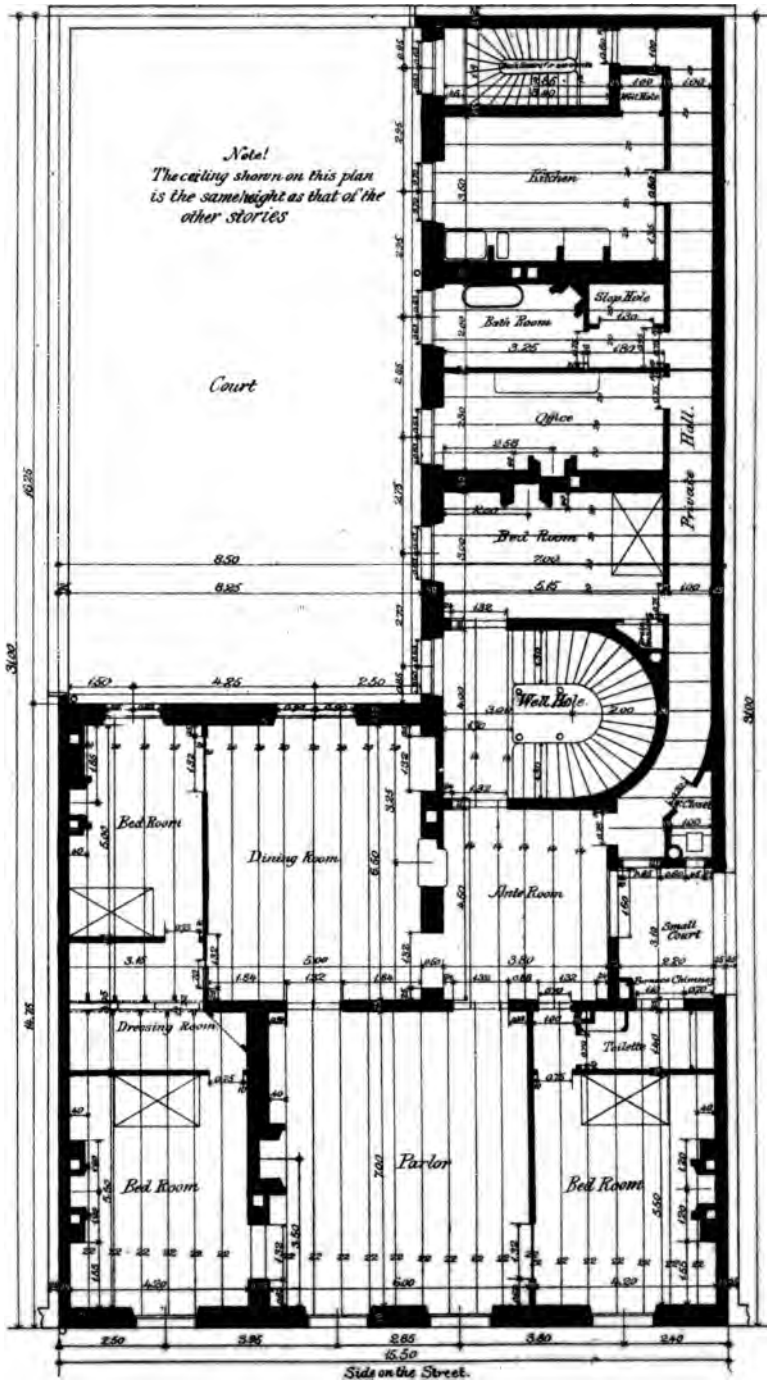
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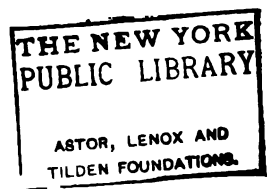
**ASTOR, LENOX AND
TILDEN FOUNDATIONS.**

DESIGN FOR AN APARTMENT HOUSE. with Stores on the Ground Floor.

PLAN OF THE SECOND STORY.

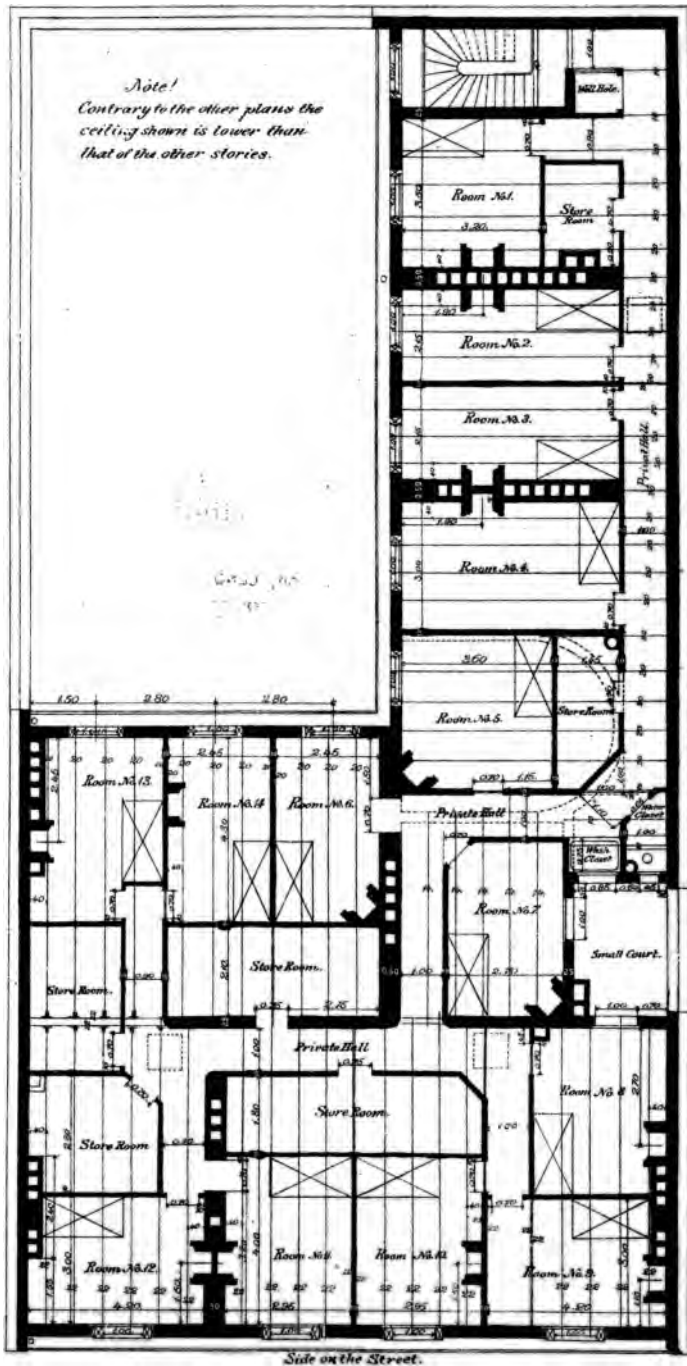
SCALE OF ORIGINAL PLAN .02 TO A METRE

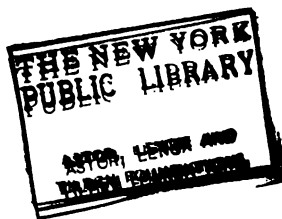




DESIGN FOR AN APARTMENT HOUSE. with Stores on the Ground Floor. PLAN OF THE TOP STORY.

SCALE OF ORIGINAL PLAN .02 TO A METRE.





AN INTERVIEW

WITH

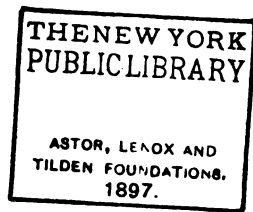
MR. HENRY A. OAKLEY,

President of the National Board of Fire Underwriters.

Published in THE SPECTATOR of August, 1873.

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INTERVIEW WITH PRESIDENT OAKLEY.

From the August Number of THE SPECTATOR.

WHAT THE PRESIDENT OF THE NATIONAL BOARD OF FIRE UNDERWRITERS THINKS OF THE INSURANCE SITUATION—THE RATES—DISSATISFACTION IN THE WEST—NON-BOARD COMPANIES—PROFITS—RECKLESS MANAGEMENT—BOSTON—HASTY ADJUSTMENTS—THE THREE-QUARTERS CLAUSE—NATIONAL SUPERVISION—TALL BUILDINGS—LEGISLATION, AND EVERYTHING ELSE ABOUT FIRE INSURANCE DISCUSSED.

WE need not enlarge upon the value which the fire insurance community attaches to the professional opinions of the President of the National Board of Fire Underwriters. Not only because he occupies the highest official position in the guild of fire underwriters, but because an unusually long and intimate connection with the business eminently fits him to "speak by the card," all that Mr. Oakley says about the insurance situation is listened to with interest. We are pleased, therefore, to be able to devote a portion of our space this month, to a report of an interview had with him at his office, No. 66 Wall street, New York, in which several of the most important questions concerning fire insurance were made the subject of inquiry and response. The representative of THE SPECTATOR opened the interview as follows :

THE SPECTATOR—Mr. Oakley, if you will permit us, we will begin with the matter which we know is nearest your heart—the success of the National Board organization. What are the prospects for the present year? Do the members hold together with all the spirit and harmony we saw evinced at the last annual meeting?

MR. OAKLEY—I consider the prospects of the National Board excellent for the coming year. The operations of the board have been made more effective, and its promptness in securing the reform of abuses, aided by the appointment of judicious supervising field agents not connected with any company. The members, one and all, show a determination to hold together and to exercise the spirit of conciliation. There have been some accessions to its membership—and some resignations by companies who have not heretofore heartily supported it, but on the whole, the board is stronger to-day than at any period in its previous history.

THE SPECTATOR—But it is said that there is some dissatisfaction in the West—grumbling in St. Louis, for instance.

MR. OAKLEY—Very few locals of the kind referred to are members of the board—those you speak of are afraid of the competition which the superior capital and assets of the agency companies offer as security—and resort to the foolish plan of underbidding rates established by local boards, and thus cheapening and lessening their own ability, National Board companies have no quarrel with locals anywhere, they concede their right to the first claim for patronage from their own citizens—but deprecate their writing at rates which experience has proved to be unremunerative. The impolicy of the citizens of any place, relying wholly on their local companies is shown by the fact that not one survived either of the great catastrophes of 1871-2—and but few paid more than a nominal percentage upon their losses—the same lesson would be repeated in Baltimore, St. Louis, Cincinnati, Toledo, Cleveland, Louisville and Pittsburgh, should the emergency arise.

THE SPECTATOR—Your companies, then, are firm in their determination to hold their agents to the rates?

MR. OAKLEY—Entirely so. We have no knowledge of any case of a National Board company refusing to require its agents to observe rates faithfully, and to correct promptly where errors have been made.

THE SPECTATOR—Is it true that some of the Western cities are in a state of chronic unprofitableness? We have heard that complaint made by presidents of agency companies.

MR. OAKLEY—Yes, there are many such places, and the only wonder is that they have not been left to their own destruction long since. It is in such places that the National Board has found the most grumbling at the *rates* that have been established, and where it has the most trouble in securing the enforcement of the rules and regulations of the board. I presume it is on the principle that having so long enjoyed a share of the companies' assets, they regard any attempt by the companies to recover a portion of their losses as an infringement upon their peculiar rights and privileges.

THE SPECTATOR—How is it with the South? Do the local boards work harmoniously with the National Board, and are the insurance companies making money in that field?

MR. OAKLEY—There is great harmony of feeling and action between the local boards of the South and the National Board. The Southern Association—a most useful auxiliary of the National Board—has done good service in this respect. Its president is an experienced insurance agent, and well qualified to judge of the wants of his field. I can only speak for my own company, that the result of business there has been fairly remunerative.

THE SPECTATOR—A complaint that sometimes comes to our office from the west, is that the National Board discriminates between cities.

For instance, St. Louis is rated higher than Cincinnati. There is a good reason, of course, for it, and we would be glad to give it to our readers.

MR. OAKLEY—The National Board companies do discriminate in rates between cities, and very properly too, for the reason that the experience of companies has shown that while the business in Cincinnati has proved remunerative, the business of St. Louis has proved, on the other hand, a loss to the companies. There are many other places to which the same remarks apply, but I cite the two referred to as very good representative places. The experience of my own company is in strict conformity to this in a well-selected conservative business in both cities.

THE SPECTATOR—At the annual meeting in April the Board authorized the executive committee to appoint supervising agents with authority to examine registers of agents and books of companies in search of irregularities in practice. Pray, tell us, has the system worked well?

MR. OAKLEY—The system has proved all that was claimed for it by its suggestors. Very valuable results have followed the exercise of the power, which has been used sparingly. The executive committee are very particular to exert the authority in none but important cases. All such examinations are strictly confidential and the information thus obtained is communicated by the supervisor of the National Board to its executive committee only for their action; thus avoiding recriminations among agents.

THE SPECTATOR—There was a little objection, you remember, from the presidents of one or two companies. They thought an examination of companies' books would be resented as intrusive. Have you heard of any dissatisfaction in that quarter.

MR. OAKLEY—On the contrary, suspected parties have been the most willing to have their books examined, as by this means many have been able to establish their entire innocence—charges too often being made from malice on the part of other agents. Even those who doubted the expediency of the plan have cordially assented to it on seeing its result.

THE SPECTATOR—What has been done about the proposed fund for rewards for the detection of incendiaries? Have rewards been offered yet and have any of the rascals been caught in consequence of them?

MR. OAKLEY—The entire fund of \$100,000 and some thousands over have been subscribed by the companies, and the executive committee have authorized no less than twelve separate rewards for the detection of incendiaries in sums of from \$250 to \$1,000. These rewards apply to seven states. We are not advised of any definite results in any of the cases as yet as they are all recent, but there has been no other case of incendiarism reported in the places where the rewards have been offered after the publication by the Board.

THE SPECTATOR—What proportion of the agency companies now belong to the National Board, Mr. Oakley?

MR. OAKLEY—I am unable to say positively what proportion of agency companies are members of the Board, but the members of the National Board represent more than 90 per cent of the premiums received by all the companies of the country, and 95 per cent of the capital employed in the business.

THE SPECTATOR—Is there any prospect that the outside agency companies will eventually join you?

MR. OAKLEY—My answer to this question is, that the National Board does not want any company in its membership, which does not value the advantages to be derived from such association. Willing and hearty co-operation is what the Board desires; lukewarmness and unfaithfulness were its worst enemies under its former organization, and these we desire to avoid in future.

THE SPECTATOR—We wish to ask a question about the very important subject of the profits of the fire insurance business in the United States. You touched upon it in your annual address. Take the last fifty years for illustration,—that era will include the New York fire of 1835 and the other great fires—has the business generally been profitable? What percentage has it paid on the capital invested?

MR. OAKLEY—I must refer you to page 23 in my address for information on this point. You will find the question very fully stated there. I would only remark that had uniformity of practice prevailed in regard to dividends—for instance, limiting the percentage to 8 per cent until the surplus was equivalent to the running premiums, and increasing the percentage as the surplus grew in amount, it would have made stronger companies. There are many companies in this city whose dividends for fifteen years averaged over 20 per cent per annum, who to-day have not surplus enough to more than cover their re-insurance funds.

THE SPECTATOR—To what do you attribute, in the main, the small profit that has been returned in the business? Could much of it be due to incompetent or reckless management, or is it almost wholly due to unexpected and unprecedented great fires?

MR. OAKLEY—I think I fully answered this question in replying to the previous one—but I would add, not so much reckless management, as inconsistent management. Many companies were led away some years since by the dangerous sentiment put forth by an official of one of the states, who said that volume of business was necessary to a company's prosperity. My experience of thirty odd years shows that it is quality, not quantity, that ensures prosperity in the fire insurance business.

THE SPECTATOR—There has been a great deal said about extravagant expenditures for management in the business. Do you think there is any justice in the charge?

MR. OAKLEY—I know of no business that is compelled to bear such involuntary burdens of taxation, that is conducted with more economy than the fire insurance business—the statistics of other branches of trade prove this.

THE SPECTATOR—What is your opinion of the plan suggested by Superintendent Chapman, of the New York Insurance Department for the creation of extra reserve funds by companies?

MR. OAKLEY—I approved of it most heartily, and called especial attention to it in my annual address before the board. It was defeated by the fears of an officer of a small state company (who was a member of the Senate) that it might in some way interfere with his especial company. I have no doubt the Superintendent will press it at the next session of the legislature. It meets with favor from all of our most conservative companies.

THE SPECTATOR—There seems to be a difference of views among insurance men in reference to the desirability and the practicability of a National Insurance Bureau. We have advocated the project in THE SPECTATOR, and have combated the opinion given by Justice Field, of the United States Supreme Court, that “the business of issuing insurance policies is no part of commerce,” but we must admit there are some able insurance men who take the other side. Your views in this matter would be of great interest to our readers.

MR. OAKLEY—If the establishment of a National Insurance Bureau would secure to the companies equal rights in all the states, and immunity from the numerous burdens for licenses, taxes, fees, etc., it would certainly be hailed by all companies doing business outside of the state they are located in, as a very desirable thing. There is, however, much difference of opinion as to the effect it would have upon the local business of companies. The subject, by common consent, seems to have been laid aside for the present. I trust I shall live long enough to see the decision of the United States Court to which you refer reconsidered by other and wiser judges.

THE SPECTATOR—You have noticed the schemes before sundry state legislatures for the erection of states into huge insurance corporations. So distinguished a financier as the Hon. Amasa Walker advocated insurance by the state, in Massachusetts. Governor Wise is reputed to be the author of the extraordinary bill which the Virginia legislature didn’t pass. Do you think there is the smallest atom of practicability in the idea? You know, of course, insurance by the state has been made to work well in some of the Swiss cantons.

MR. OAKLEY—Not the slightest as business is conducted in this country. It has been tried by towns in this state and in New England and has always proved a failure. The conditions governing insurance in the Swiss cantons are such as none of our people would accept under any circumstances.

of Broadway and Fourteenth street, and the ten and eleven story buildings of the Tribune company and the Western Union Telegraph company, now going up?

MR. OAKLEY—It depends entirely upon their construction—if fire proof, a building such as the Western Union's new building—would be a formidable barrier in resisting fire—the new Boston post office is a notable example; though damaged, it was a barrier that even the great fire there could not pass. If the buildings are not fireproof, no more dangerous element can be found than buildings that are beyond the ability of the fire department to reach effectively their upper stories. The New York Board has always protested against unusual height in buildings, and endeavored to lessen it by exemplary charges.

THE SPECTATOR—Do you approve of the plan, adopted in Massachusetts, we believe, and proposed in some other states, of creating fire insurance districts and forbidding companies to insure beyond the amount of their capital, in each?

MR. OAKLEY—I do not. If companies cannot in their own interest be made careful as to their liabilities, no amount of legislation will effect it. Its only effect is to weaken the security of the community where the insurance is so limited. The great fires of the country show the absurdity of such a limitation. Much better trust to the character of a company. It is always easy for the insured to find out who are reckless in the lines they carry and to act accordingly.

THE SPECTATOR—The question has been discussed if writing term policies on risks other than dwellings is not "pernicious." Has the National Board ever taken any action in this respect?

MR. OAKLEY—The National Board uniformly discourages the writing of term risks upon any property except "dwellings." It has no right to prescribe the time for which policies may be written—but it secures through the local boards proper rates to be charged for time policies if they are issued.

THE SPECTATOR—We have heard it said that there are companies connected with the Board, which write their whole capital on single blocks, counting each house as a separate risk. Is not this practice also "pernicious" and likely to bring sudden ruin to the insurer some day?

MR. OAKLEY—I know of no company belonging to the National Board that would be guilty of such folly. The practice is the height of imprudence, and can have but one result—utter ruin.

THE SPECTATOR—What permanency is there, do you think, in the system of mutual fire insurance? Mutual companies being obliged to confine their operations to their own neighborhoods, usually, are they not in constant danger of sudden collapse by large local fires?

MR. OAKLEY—The recent fires in Boston have shown how poorly adapted mutual insurance companies were to provide indemnity to

insurers in large towns or cities. If confined to detached property such as farm houses, etc., they do well enough—otherwise they are the dearest insurance a customer can purchase.

THE SPECTATOR—What view do you take of the liability of insurance companies for property destroyed to prevent conflagration? The question came up, we believe, in Boston after the great fire.

MR. OAKLEY—The companies under the legal decisions that have been made in former years are clearly liable to their policyholders, but as clearly have a claim upon the municipality which orders the destruction for the general good. The question is exhaustively stated in the report of the cases growing out of the great fire in New York in 1835, commonly known as the American Print Works, *vs.* The Mayor, &c., of New York, and to which it would be well to refer your readers.

THE SPECTATOR—An open question of considerable interest to policyholders in insolvent companies is, whether unearned premiums are a preferred claim—whether they should be paid in full, leaving loss claims to take what is left, or pro rata with loss claims. Judge Gilbert, of New York, recently decided in favor of the former view, but, we understand many receivers refuse to admit that his decision is good law. Would you have any objection to express an opinion on a point so interesting to many persons?

MR. OAKLEY—Unearned premiums were decided to be a preferred claim by the courts of this state in 1836—and very properly so, as the cancellation of every policy improves the chances of a claimant by releasing the company of its liabilities which may prove to be thousands instead of tens or hundreds. All of the companies which have failed or gone into liquidation for the last 10 years in this state, have provided for a return of premiums in full—until the Chicago fire brought out the question in a new phase. The state law requires a deduction from assets of all unexpired premiums as unearned before being allowed to estimate profits how they can be considered as the property of the company.

THE SPECTATOR—Are there any prospects, in your opinion, of the repeal of the obnoxious insurance taxation and deposit laws which still cover the pages of the statute books in many of the states? Was there not some action taken in this respect by the National Board in April?

MR. OAKLEY—The National Board took no action. The subject was fully discussed and the great evil pointed out. When states begin to reason that taxation only increases the cost to its own citizens of insurance, they will begin to do justice to the companies. I think the signs of the times more hopeful than for some time back. Two of the states have repealed their deposit laws during the past year.

THE SPECTATOR—What new legislation is desirable in reference to the insurance interests?

MR. OAKLEY—None. They require to be let alone. Too much legislation is what we chronically suffer from.

THE SPECTATOR—One question more, and it is a very important one. Do you believe that it is possible to find for fire insurance what has been found for life insurance—a scientific basis? In other words, can fire insurance statistics ever be so manipulated that the exact amount of hazard in each class of risks will be measured with mathematical accuracy? It seems to us that fire insurance must be somewhat speculative in its character until a “mortality table” is constructed for it.

MR. OAKLEY—This is a matter of great importance to insurance interests and one in which I have taken a great interest. I do believe it is possible to compile a “mortality table” for fire insurance, which, though it may not be absolutely reliable in its conclusion, can be made so nearly so as to be a safe guide. The National Board has made a commencement through its Committee on Statistics, and is already in possession of a large mass of information which is being collated, and I have no doubt that at the next annual meeting such a report will be presented by them as will demonstrate fully, not only the feasibility, but the great importance of the work thus undertaken, and secure to the companies reliable basis rates upon many classes of hazards.

The interview ended here. Mr. Oakley's concise and straightforward replies to our queries contain about as much genuine wisdom as can be conveniently crowded into two pages of insurance-talk. We believe they will attract widespread attention. In pursuance of the purpose announced in the last number of THE SPECTATOR we shall continue to interview the insurance magnates of the country for the benefit of our readers. We take pleasure in stating that in the September number we shall publish an interview had with another of our leading life insurance managers, Mr. Jacob L. Greene, of the Connecticut Mutual, the second largest insurance company of the world.





JUN 26 1933

